THE EFFECT OF URBANIZATION AND UNEMPLOYMENT ON THE NIGERIAN ECONOMY

BY

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EC/2009/679

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FACULTY OF SOCIAL SCIENCES
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ENUGU STATE

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A PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF BACHELOR OF SCIENCE (B.SC.) DEGREE IN ECONOMICS

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CERTIFICATION

This is to certify that this project was carried out in the department of economics, faculty of management and social science, caritas university, Emene Enugu state.

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DEDICATION

This project is dedicated to God the Father, God the Son and God the

Holy Spirit.

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We shall ever remain grateful to Almighty God for his unquantifiable grace, favour, protection, blessing, success and divine upliftment upon us and our family.

We also remain loyal and grateful to my parents and siblings and aunties for their efforts and supports both financially and otherwise.

My deepest and unquantifiable gratitude goes to my parents Mr./Mrs. Isibor and my lovely grandmother Mrs. Theresa Okeke for their love, support, encouragement and prayers through out my learning period in this university.

My humble appreciation goes to my supervisor Mr. Osodiuru for the guidance, support and advice throughout the duration of research in my project work. My appreciation also goes to all lectures in my department, Barr. P.C Onwdinjo (esq), Mr. Ojiike, Mr. Odo, Mr. Osodiuru, Chief Odike, Prof. S.I. Udaba, Prof. Onah, Dr. C.C. Umeadi and Sir Uche who have at one point in time impacted knowledge in me. Thank you so much.

To my friends and collegues you have been wonderful and it has been fun benefit with you and learning from you also my roommates I wont forget all the memories we have made together without you all life would have been hell on earth.

ABSTRACT

The work is motivated by the seeming inability of the public sector to make and implement polices and programmes to curb the high rate of rural – urban migration and unemployment that is usually experienced in Nigeria. The study was geared towards an overview of the issues of urbanization and unemployment as well as their implication on the development of Nigeria. Secondary data were collected and analyzed using ordinary least square method. The result obtained from the analysis shows that urbanization has a significant impact on economic growth. It was then recommended that government should strive more to make access to higher education, scholarship and agricultural facilities available to the rural populace and further enhance effort towards population control through public – private sector to make a productive life worth living in rural areas.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The rate of urbanization is increasing in both the developed and developing countries. However, rapid urbanization, particularly the growth of large. Cities and the associated problems of unemployment, poverty, inadequate health care, poor sanitation, urban slums and environmental degradation pose a formidable challenge in developing countries. Available statistics shows that more than half of the world lives in urban areas at the end of 2010 from 49% (3.2billion) in 2008. the same report projected that figure is likely to rise to 60% (4.9billion) by 2030. according to the UN state of the world population 2007 report, the majority of people worldwide will be living in towns or cities, for the first time in history, this is referred to as the arrival of the "urban millennium" or the 'tipping point'. In regard to future trends, it is estimated 93% of urban growth will occur in developing nations, with 80% of urban growth occurring in Asia and Africa

Urbanization simply defined, is the shift from a rural to an urban society and involves an increase in the number of people in

urban areas during a particular year. Urbanization is the outcome of social, economic and political development that lead to urban concentration and growth of large cities changes in the land use and transformation from rural to metropolitan pattern of organization and governance.

Although Urbanization is the driving force for modernization, economic growth and development, there is increasing concern about the effect of expanding cities, particularly on human health, livelihood and environment. The implication of rapid urbanization and demographic trends for employment, food, security, water supply, shelter and sanitation, especially the disposal of waste (solid and liquid) that the cities produce are staggering (UNCED, 1992). The question that arises is whether the current trend in urban growth is sustainable considering the accompanying urban challenge such as unemployment, poverty and environmental degradation especially in the developing countries.

Thus, of significant attention to us is the problem of unemployment as a result of urbanization in the Nigerian urban areas. Urban unemployment or unemployment in the urban Nigeria

stands for the conglomeration of people with diversity background, willing and able to work in the urban areas resulting in pressure of supply of labour over the demand for labour. Thus causing joblessness. Implicit in this definition are the following for excessive manpower supply of labour over manpower demand for labour, there may have a risen a situation whereby job seekers irrelevant or not needed education qualification, both the public and private sector may not have involved a calculated policy to afford them the opportunity for self employment through planned programs. In Nigeria it is estimated that in 1900 about 95% of Africa's inhabitants South of Sahara lived from the Primary occupations of farming, hunting & gathering, cattle anomalism, and fishing (Aase, 2003:1) meaning that less than 5% were urban. In 1950 (the start of the independence period) 14.7% of Africa's inhabitants were urban in 2000 had it risen to 37.2% and it is expect 3.76%, 3.35% per year (UN, 2002) the Nigerian city of Lagos in 1963 had 665000 inhabitants (Rakodi, 1991) and 8.7miliion in 2000 is expected to become the worlds 11th biggest city by 2015 with 16million inhabitants (UN, 2002).

Therefore, a survey by the UN international labour organization (ILO) indicated that as many as 3 million Nigerians fall within the working age out of this, 90 percent or about 3 million are unemployed. A further study on the geographical distribution of those unemployed shows that as many as 2.7million out of the 3 million live in urban area (ILO survey report African concord 1996).

Surely, it is very difficult to ascertain the current rate of unemployment in Nigeria but evidence and indication of urban unemployment overwhelming. There is no gainsaying that there are significant correlation between urbanization and unemployment in Nigeria though Urbanization is also a consequence of industrialization or economic specialization. It connotes the movement of people principally from agricultural productivity. The process involves changing relationship and interaction.

Conclusively, there exists convincing evidence that the bulk of urban unemployment in the country is among able bodied youths. Data shows that in 2009 at the recent Nigerian economic summit, group (NESG) policy dialogue on the Nigeria economy, Nigeria's minister of finance quoted data from the National Bureau of statistics (NBS) saying that "unemployment in Nigeria is running at around

19.7 percent on average and almost half of 15-24 year olds living in urban areas are jobless" the theme of the policy dialogue growth through public private partnership.

1.2 STATEMENT OF PROBLEM

The Nigeria population of about 150 million with a growth rate of 3.2%, more youths are getting into the educational system, more .youths are also graduating, more are getting into the urban labour market while more are also becoming unemployed. Some of the manifestation of the failing of both the educational system and the economy are unemployment and underemployment. Urban unemployment is growing progressively worse due to rural to urban migration. This migration is as a result of high concentration of Infrastructure and amenities in the urban areas, coupled with favourable living conditions and standard of living.

Some adolescents do not think about any job at all until they are faced with the issue of locating one in the urban center. The contributing fact to this is that career guidance is minimally emphasized in our school curriculum. When the youths are not

formally provided with occupational information which forms the basis for realistic occupational choice, some often accept any job for which they are not well prepared for these result into inefficiency, low productivity, low or lack of job satisfaction and they all culminate into underdevelopment.

1.3 OBJECTIVES OF THE STUDY

The objectives of the study are:

1. To examine the relationship between urbanization and unemployment in the development of Nigeria.

2. To determine the implication of urbanization on the development of Nigeria GDP per say.

3. To determine also the implication of unemployment of Nigeria. GDP per say.

4. To proffer solution that will bring these problems to the barest minimum in Nigeria.

1.4 RESEARCH QUESTION

The research questions for this study are as follows:

1. Does urbanization and unemployment have any relationship in development of Nigeria?

2. Does urbanization contribute to the output of Nigeria?

3. What are the implications of unemployment on the development of Nigeria?

4. What are the possible solutions that will bring these problems to the barest minimum in Nigeria?

1.5 STATEMENT OF HYPOTHESIS

For the purpose of this study, the following hypothesis will be tested.

H_0: Urbanization has no significant impact on economic growth.

H_1: Urbanization has significant impact on economic growth.

H_0: Unemployment has no significant impact on economic growth.

HI: Unemployment has significant impact on economic growth.

1.6 SIGNIFICANCE OF THE STUDY

The significance of this study are as follows:

The study would provide an econometric basis upon which to examine the effect of urbanization and unemployment on Nigeria's economy which would be useful to Nigeria as a whole. ,

The study will add to intellectual value of Nigerians. The knowledge of the effect of urbanization and unemployment will be

very useful as it will broaden individuals outlook, sharpen their intellect. and inculcate in them the habit of balanced thinking.

The study will also .educate the government and youth who ignored agriculture in pursuit of white collar jobs in the office.

Finally, the study will serve as a reference material for further studies.

1.7 SCOPE OF THE STUDY

Though the issue of urbanization and unemployment moves in the same direction and this problem has eaten deep into the marrows of the society of Nigeria and our main focus is how to solve the problem of urbanization and unemployment in Nigeria.

1.8 DEFINITION OF TERMS

Unemployment: (According to Pigou,) the greatest exponent of the classical view, unemployment defined as a resulted from the rigidity in the wage structure and interference in the working of free market system in the form of trade union legislation, minimum wage legislation, e.t.c.

Unemployment: {According to everyman's Dictionary of Economics) defines unemployment as "involuntary idleness of a person willing to work at the prevailing rate of pay but unable to find it".

"Economic Growth": (Berger 1965) stated that Economic growth means more output and changes in the technical skills, knowledge productive education, health managerial capacity) arrangement by which it **is** produced and distributed. Growth may well not only involve more output derived from greater amounts of inputs but also greater ,efficiency.

Economic Growth refers to the steady process by which the productive capacity of the economy is increased over time to bring about increases in the output of goods and services and rising levels of national income. This corroborates kindle Berger's view of economic in (1965).

The economic growth of any country is measured by the rate of increase in its (GNP) or (GDP) or better still by the total output or by per capital output. .

Gross Domestic Product (GDP): According to Okowa, W. J. (1995), defined gross domestic product as the money value of the total output of goods and services produced within the geographical confines (that is, inhabitants) of a country's territory in a given year.

Economic Development: refers to as the problems of the economic development of underdeveloped countries. Though the study of economic development has attracted the attention of economists right from Adam Smith down to Marx and Keynes, yet they were mainly interested in the problems which essentially static in nature and largely related to a western European framework of social and cultural institutions.

Economic Development: (According to Schumpeter) defines development as a discontinuous and spontaneous changer in the stationary state which forever alters and displaces the equilibrium state previously existing. This view of Schumpeter has been widely accepted and elaborated by the majority of economists.

Economic Development: (According to kindle Berger,) Economic Development implies both more output and changes in the

technical and institutional arrangement by which it is produced and distributed.

Development: goes beyond this to simply changes in the composition of output) and the allocation of inputs by the sectors. Recent statistics released by the National Bureau of Statistics (NBS) showed that about 10million Nigerians were unemployed in Nigeria at March, 2010. The NBS defines the unemployment rate as the percentage of Nigeria's labour force that is qualified to work but did not work for atleast 39 hours

in the week preceding the survey. The total labour force is made up of people aged between 15 to 64 years and excludes students, home-keepers,   retired persons, stay-at-home parents and persons unable to work or not interested in work.

1.9 ORGANIZATION OF THE STUDY

After the preliminary pages which consist of the cover, certification, dedication, acknowledgement, abstract and table of .content pages. The study will be set under five chapters; they are the

introductory aspect of the work which forms the chapter one, the review of related literature, in chapter two,

the research methodology, in chapter three, the presentation I of Analysis an 3 interpretation of data in chapter four and summary, conclusion and recommendation which forms the aspect of chapter five. The work will be rounded up with references and Appendix.

What is Urbanization?

It's the physical growth of rural or national land into urban areas as a result of population in-migration to an existing urban area. Effects include change in density and administration services. While the exact definition and population size of urbanized areas varies among different countries, urbanization is attributed to growth of cities.

Urbanization is the social process whereby cities grow and societies became more urban in nature, as opposed to being mostly rural and agricultural. Urbanization is what occurs when the rural character of a town is gradually replaced by housing and industrial development, resulting in more suburbs. Its an increase in the

proportion of people living in urban or developed areas compared to rural areas.

Urbanization is not merely a modern phenomenon, but a rapid and nutoric transformation of human social roots on a global scale, whereby predominantly village culture is being rapidly replaced by predominantly urban culture. The last major change in settlement patterns was the accumulation of limits- gatherers into villages many thousand years ago. Village culture is characterized by common bloodiness, intimate relationships and communal behaviour whereas urban culture is characterized by distance bloodiness, unfamiliar relations, and competitive behaviour. This unprecedented movement of people is forecast to continue and intensify in the next few decades, mushrooming cities to size incomprehensible only a century ago.

Urbanization is not about simply increasing the number of urban residents or expanding the area of cities. More importantly, its about a complete change from rural to urban style in terms of industry structure, employment, living environment and social security.

The rapid urbanization of the world's population one the twentieth century is described in the 2005 revision of the UN World urbanization prospects report. The global proportion of urban population rose dramationlly from 13% (220 million) in 1900, to29% (732 million) in 1950, to 49% (3.2 billion) in 2005. The same report projected that the figure is likely to rise to 60% (49 billion) by 2030.

According to the UN State of the World population 2007 report, sometime in the middle of 2007, the majority of people worldwide will be living in towns or cities for the first time in history, this is referred to as the arrival of the "urban millennium or the typing point. In regard to future trends, it is estimated 93% of urban growth will occur in developing nations, with 80% of urban growth occurring in Asia and Africa.

Urbanization occurs as individual, commercial and governmental efforts to reduce time and expense in communing and transportation while improving opportunities for jobs, Education, housing and transportation. Living in cities permits the advantages

of the opportunities of proximity, diversity and market place competition.

Urbanization rates very between countries. The united states and united kingdom have a higher urbanization level than China, India, Swaziland or Niger, but a few slower, annual urbanization rate since much less of the population is living in a rural area.

INTERNATIONAL YOUTH ENVIRONMENT SUMMIT SITUATION TO RAPID URBANIZATION

1. Citizens have the right to an environment that is not harmful to their health or well being.

OBJECTIVE

To improve environmental conditions and provide safe habits for all life.

METHODS

Government passes law to plan and provide environmentally sound cities considering that people should not live in polluted or unsafe areas

EVALUATION

Each country subscribing to the Declaration of environmental rights and responsibilities will send six representatives, composed of people with medical, legal, political, economic, educational and scientific expertise, to a general assembly. The collective assembly will review the review the sustainable solutions outlined in the Declaration of emonmatal rights and responsibilities through the internet. The group will elect a chairman and vice chairman, from its members to lead annual meetings. The meeting will be held in each country, based on a rotating schedule for the purpose of amending solutions to make them more affective.

2. Citizens have the right to an environment that is protected for the benefit of present and future generations.

OBJECTIVE

To make environmental resources sustainable and make the economy reliant upon a sustainable environment

Method

Government encourages private investment in sustainable industries like solar energy, public transportation and water reclamation with financial rewards

3. Citizens have the right to basic services including adequate shelter, health services, Electricity, water supplies and food.

   OBJECTIVE

   Government with private help, provides essential services that will improve the quality of life

   METHOD

   Information should be gathered about what is needed and where implement and provide opportunity for employment so that citizens can earn a living to pay for maintenance of services homes should be subsidized by government and corporations,

government provides basic health services using advanced technologies and medicines at minimum costs with alternatives available.

4. Citizens have the right to basic Education including Adult basic education

OBJECTIVE

To empower citizens with knowledge and skills

Methods

Government improves Educational systems to include curriculum focused on Job skills and life skills to prepare people for employment opportunities. Also Education is made more accessible by creating schools, technical university and universities with licensed teachers who help students, including adults and the disabled, toward earning a basic Education certificate.

5. Citizens have the right to gainful employment opportunities

OBJECTIVE

To create more jobs

METHOD

In order to prevent rapid urbanization and conserve natural ecosystems, private industry will utilize natural resources to promote tourism and create jobs in both rural and urban areas using subsides, government promotes private and foreign investment in environmentally sound development in rural areas

6. citizen have the right to environmentally safe and cost effective technologies.

OBJECTIVE

To allow environmental technologies to be more accessible and at lower cost to the community.

METHOD

Government and private industry provide funding for research, development and improvement of environmentally safe and cost-

effective technologies by sponsoring engineers and creating institutions.

7   Government and individuals have the responsibility to control; population growth and the spread of disease through effective health education and family planning

OBJECTIVE

To control population growth and disease.

METHOD

Government provides counselling for effective family planning and medical health clinics, making them both mobile for rural areas and accessible for urban areas.

8. Government and local authorizes have the responsibility to improve public transportation, upgrade basic civil services to ensure sustainable housing, better health services, sanitation, and electricity also so that the use of private motor vehicles is minimized, thus reducing congestion and air and noise pollution.

OBJECTIVE

To make public transportation clean, efficient and accessible, to the community also Government with private help. Provides essential services that will improve the quality of life

- **METHOD**

Industries improve cars to be environmentally friendly. Government reduces the manufacturing of private cars and sponsors manufacturing of public transportation vehicles, encouraging people to use them by raising parking and gasoline prices.

1.10 PROBLEMS CAUSED BY URBANIZATION

Environmental effects due to urbanization have been observed since early in the 18th century until the mobile of the 20th century, urbanization lends were too low and the number of large cities was too small for there to be any significant effects other than local climate and hydrologic impacts

As late as 1900, there were barely 43 cities in the world exceeding, 500,000 population, of which only 16 exceeded 1,000,000. Since 1950 the number of large cities has increased very rapidly (about

400 exceed 1,000000) metropolitan areas have grown to form even large agglomeration and some very large urban areas with population in the tens of millions have emerged for example by the year 2,000 and calculate, Bornbay, cairo, Jakarta and seeul are each expected to be in the 15-20 million people range. The environment in large urban areas has deteriorated and resulted in an increased incidence of diseased and viments.

The effects of urban development can be defined by many factors. The most important of these factors related to and quality, the availability of safe water supplies, and provisions for sanitation and waste management. In this chapter we will consider the effects of urbanization on the atmosphere.

Mexico city today is one of the largest cities in the world. The environmental issues present in this megapolis are a good example of the problems that plague many cities around the world.

The population of Mexico city is over 20 million people the population has gone from approximately 3 million people in 1950 to near 20 million in 1997, with an average growth rate close to 5% much of the high growth rate of migrants from the economically

depressed rural areas. Rapid urbanization has out stripped society's capacity to meet basic human needs, leaving enormous portions of the city's population with inadequate incomes, diets, housing, services and health care. The land area of Mexico, D.R 1,499 Knz, the area of Mexico D.F plus suburbs is near 3,129 KMz. The growth rate of the city in spatial extent is close to that of the population (5%). Mar developments are more dense and less planned, and generally include less open space. Mary developments are now built on hills slopes, generating a considerable amount of soil erosion and a significant increase in flash floods enter rainstorms. Overcrowding and inadequate housing respiratory disease and tuber culosis.

Water

Mexico city is built on an underground a guider which significantly depleted. In general much of the water in the basin is heavily polluted, acquitters and over that supply its water are over extended and polluted; cholera recently have killed many people.

Today most of the food and water consumed writhen the basin comes from outside its boundaries may parts of the city suffer from water shortage and industrial use of water is very inefficient water

receding uses only 7% of the savage, and nearly 20% of the water supply is lost through deficient pipe system. Pipe breakage represents a countries health hazard, as microorganisms from the sewage system can contaminate the fractured pipes.

Waste

Approximately 4-5 m3.5 of sewage water are treated and used mainly for irrigation in parks and public spaces. The remainder is eliminated from the basin by means of the deep drainage system that was built in the early 1970s and by the old surface drainage canals. This waste is mostly used for irrigation, constituting an important source of agricultural pollution.

The health and environmental effects of inadequate solid waste disposal are felt for beyond the city in the form of water, land and air contamination on a wide area. The city produces appropriately 10,000 loans of domestic garbage per day. In consrate to developed countries, which generate liter wish a low proportion of organic residues, the garbage of Mexico city is rich in vegetable and fruit waste, and consequently could be used for making compost at a relatively low cost. Until 1987 most the residues were dispraised of

in open field, recently a mix modern systems of sanitary filling into dredged pits has become operational.

Extending and huproving waste collection, processing and disposal services is vital to control mounting health problems and prevent further damage to the environment.

Air

City streets citoged with traffic and air pollution is perhaps the worse protean the city faces. Photochemical smog is critical during the winter months when a temperature mersion stabilizes the atmosphere above the basin and the air pollutants accumulate in the stationary layer of air that covers and factories.

Most of the air pollution originates from automobile exhaust, which are responsible for 72% of all atmospheric pollutants in mexicocity mean ozone levels in Mexico city are ten time the normal atmospheric concentration and are more than twice the Mexico limite allowned in the united states. In order to alleviate this problem, the vehicles of Mexico city are under a permanent vehicles program called "Hogno circuld" all vehicles according to the last

digit of their license plate are distributed by colours along the week, and are not allowed to be driven once in a week.

Air quality report are published daily through the national media. Based on this reports vehicle use and industrial activity are restricted, in order to protect Mexican people's health.

CHAPTER TWO

Review of Literature

Theoretical Review on urbanization

Urbanization or urban drift is the physical growth of urban area is a result migration and even suburban concentration into cities, particularly the very largest ones.

The united Nations projected that half of the world's population would live in urban areas at the end of 2008.

Urbanization is closely linked to modernization, industrialization and the sociological process of rationalization. Urbanization can describe specific condition at a set of time is the proportion overtime. So the term urbanization can represent the level of urban relative to over all populations or it can represent the rate at which the urban proportion is increasing.

Urbanization is not merely a phenomenon, but a rapid and historic transformation of human social roots on a global scale, whereby predominately village culture is being rapidly replaced by predominantly urban culture the last major change in settlement

patterns was the accumulation of linter- gathers into villages many thousand years ago. Village culture is characterized by distant bloodiness, unfamiliar relations and Competitive behavior. This unprecedented movement of people is forecast to continue and intensity in the few decades, mushrooming cities to sizes in comprehensible only a century ago.

As more people leave villages and farms to in cities urban growth results. The rapid growth to live in cities like Chicago in the late 19th century Tokyo in the mid twentieth can be attributed largely to rural urban migration. This kind of growth is especially common place in developing countries. This phenomenal growth can also be attributed to the live of not just economic opportunities but to loss or deregulation of farm land rand pastureland due to development, pollution, land grabs or con flints the attraction and arrogantly of hedonistic pleasures of urban areas, proximity and case of mass transport as well as the opportunity to asst individualism.

The rapid urbanization of the world's population over the twentieth century is described in the 2005 revision of the UN world urbanization prospects report. The global proportion of urban

population rose dramatically from 13% (220 million) in 1900 to 29% (732m) in 1950, to 49% (3.2 m) in 2005. The same projected that the figure is likely to rise 60% (4.9 m) by 2030.

According to the UN State of the world population 2007 report, sometimes in the middle of 2007 the majority of people worldwide will be living in towns a cities, for the first time in history this is referred to as the annual of the urban millennium or the "tipping point". In regard to future fiends, it is estimated 93% of urban growth occurring in Asia and Africa.

Urbanization rates vary between countries. The United States and United Kingdom have a far higher urbanization kuel from China, India, Swaziland or Niger, but a far slower annual urbanization rate since much less of the population is going in a rural area. Some nations make a distribution between suburban and urban areas, while others do not indeed, human conditions within such areas differ greatly.

CAUSES OF URBANIZATION

URBANIZATION OCCURS AS INDIVIDUAL, COMMERCIAL AND GOVERNMENAL EFFORTS TO REDUCE LIME EXPENSE IN COMMUNITY AND TRASNPORTATION WHILE IMPROVING OPPORTUNITIES FOR JOBS, Education, Housing and transportation. Living in city permits the advantages of the opportunity of proxity, diversity and market place competition.

However the advantages of urbanization are weighed against alleviation issues, stress and negative social aspect that result from mass marginalization. Sun urbanization, which is happening in the largest of the developing countries cities was sold and seen an attempt to balance these negative as aspects of urban life while still taking being able to access to a large extent such shared resources

Cities are known to be places where money, services and wealth are centralized. Many rural inhabitants come to the city for reason of seeking fortunes and social mobility. Business which provide jobs and exchange the source is trade or tourism, it is also through the ports or banking systems that foreign money flows into a country commonly located in cities.

Economic opportunities are just one reason people move into cities, though they do not go to fully explain why. Urbanization rates have exploited only recently in places like China and India Rural flight is a contributing factor to Urbanization. In rural areas after on small family farms or collective farms in villages, it has traditionally bee difficult to access manufactured goods, though overall quality of is very subjective and may become extremely problematic.

However in Thailand, urbanization has also resulted in massive in problems, such as obesity, city life, especially in modern urban slums at the developing world, are certainly hardly mune to persistence nor climate disturbances such as floods, yet continue to strongly attract migrants. Example of this was the 2011 Thailand floods and 2007 Jarkata flood.

Urban areas are also for more prone to violence, drugs, and other Urban Social problems. In the case of the United States, Industrialization of agriculture has negatively affected the economy or small and middle sized farms and strongly reduced the size of the rural labour market.

Particularly in the developing world, conflict over hard rights due to the effects of globalization has led to weaker parties such as farmers, losing or forfeiting their land, resulting in obligating migration introcities. In China where land acquisition measures are forceful there has been far more and rapid urbanization (51%) then in India (29 %) where peasants form militants groups to oppose such, efforts, obligatory and unplanned migration often results in rapid growth of shgimis. This is also similar to areas of violent conflict, where people are drain off their land due to violence Bogeta, Colombia is one example of this.

Services that ancient found in rural area. Then there is a large variety of job opportunity. Elderly may be forced to move to cities where there are doctors and hospitals that can cater for their health needs. Variety and quality of educational opportunity, similar to but not equivalent to economic opportunity is another factor in urban migration as well as the opportunity in form develop and seek out social communities.

DOMINANT CITIES

The dominant cities of a country also benefits from even more intense concentrations of the very same things cities offers. New York city has growing in population the past few decades while Detroit and phila delphila, old industries cities of a similar age as now York, have strunk dramatically.

ECONOMIC EFFECT

As cities develop effects can include dramatic increase and change in costs, often pricing the local working class out of marks municipalities. For example Eric Hobsbawnils book "The age of revolution; 1789-1848 (published 1962 and 2005) chapter 11, stated urban development in our period was agigantic process it class segregation which pushed the new laboring poor into great morasses of misery outside the centers of government and business and the newly specialized residential areas of the bourgeoisie. The almost universal European division into a 'good' west end and a poor east end of large cities developed in this period". This is likely due to the prevailing South. West wind which carried coal smoke and other urbane pollutants down wind, making the western edges of towns

preferable to the eastern ones. Similar problems now rapid urbanization trends. The dries for rapid urbanization and often efficiency can lead to less equitable urban development. Think tanks such as the over seas development institute have even proposed policies that encourage labour interview growth as a means of absorbing the influx of low skilled and unskilled labour. Urban problems, alongside with infrastructure development, are also fueling suburbanization trends in developing nations, though the trend for cure cities in said nations trends to continue to become ever denser.

Urbanization is often viewed as a negative trend, but there are positives in the reduction of expenses in community and transportation while improving, opportunities for jobs, Education, housing and transportation. Living in cities permits individuals and families to take advantages of the opportunities of proximity –and diversity. While cities have a large variety of markets and goods than rural areas infrastructure congestion, monopolization, high over head costs and inconvenience of cross town trips team up to make

market place competitions as often as not worse in cities them in rural areas.

ENVIRONMENTAL EFFECT

The Urban heat Island has become a growing concern and is increasing over the years. The Urban heat island is formed when industries and urban areas are developed and heat becomes more abundant. In rural areas, a large part of the incoming solar energy is used to evaporate water from vegetation and soil exists, then majority of the snubs energy is absorbed by urban structures and asphalt. Hence during warm daylight, hours, less evaporative cooling in cities allows surface temperatures to rise higher than in rural areas. Additional city heat is given off by vehicles and factories, as well as by industrial and domestic heating and cooling units.

This effect causes the city to become 2 to 10 (1 to 6oc) warmer than surrounding landscapes impact also include reducing soil moisture and intensification of carbondioxide emission. This can be considered a "positive" or "negative" effect depending upon what kind of climate conditions one lices in and what is desired.

Pollution and lack of vegetation, especially trees, can cause urban areas to suffer firm poor environment but no generally statement about environment quality can be to apply to all rural and urban areas. While urban areas are almost never thought of as pristine there are certainly no lack of rural areas that suffer from service environmental problems.

In book whole earth discipline" Stewart brand argues that the effects of urbanization are on the "overall positive for the environment. Firstly the birth rate of new urban dwellers falls immediately to replacement rate and keeps falling. This can prevent overpopulation in the future. Secondly it puts a stop to destructive subsistence farming techniques, like slash and burn agriculture. Finally it minimizes land use by humans, leaving more for nature. This view however is not uncontested.

Changing forms of Urbanization

Different forms of Urbanization can be classified depending on the style of architecture and planning methods as well as historic growth of areas.

In cities of the developed world, urbanization trade and l'y exhibited a concentration of human activities and settlements around the downtown area the so called in- migration. In migration refer to migration from former colonies and similar places. The fact that mas settle in impoverished city centre led to the notion as the core; which simply describes that people who used to be at the periphery of the former empires now live right in the centre.

Recent developments, such as inner city redevelopment scheme mean that new drivels in cities no longer necessarily settle in the centre. In some developed, regions, originally called counter Urbanization has [occurred with cities losing population to rural areas and is particularly common for richer families. This has been possible because of improved communication, and has caused by factors such as the fear of crime and poor urban environments. It has contributed to phenomenon of striking cities experienced by same of the industrialized world.

REVIEW OF URBALIZATION IN NIGERIA

Throughout Africa societies that had been predominantly rural for most of their history were experiencing a repaid and profound

reorientation of their social and economic lives toward cities and Urbanism. As ever great number of people moved to a small number of rapidly expanding cities (or) as was often the case, a single main city}, the fabric of life in both Urban and rural areas changed in massive, often unforeseen ways. With their largest and non of the most rapidly of owing cities in sub-savanna Africa, Nigeria has experienced the phenomenon of Urbanization as thoroughly as any African nation but its experience has also been Unique in scale, in pervasiveness, and in historical antececlen Modern Urbanization in most Africa countries has been dominated by the growth of a single private city, the political and commercial center of the nation, ikts emergence was, more often than not, linked to the shaping of the country during the colonial era.

In countries with a coastine, this was often a coastal port and in Nigeria, Lagos putted well into this pattern. Unlike most of other. Nations, however, Nigeria had just one or two but several other than most other national capitals in Africa, in two areas the Yoruba region in the Southwest and the Hausa –Fulani and Kanuri areas of the North, there were number of cities with historical roots stretching

bock consicterring before the advent of British colonizers, going, them distictism physical and cultural identities.

More, in areas such as the Igbo region in the Southeast, which had few urban centres before the colonial period and was not higher urbanized even at independence, there has been massive growth of newer cities since 1970's so that these areas in 1990 were also highly urban.

Cities are not only independent centers of concentrated human population and activity they also exert a potent influence on the rural landscape what is distinctive about the growth of cities in Nigeria is the length of its historical extension and the geographical percussiveness of its coverage.

HISTORICAL DEVELOPMENT OF URBAN CENTERS

Nigeria Urbanism, as in other parts of the world is a function primary of trade and polutic. In the North, the great Urban centre of Kano, Katisina, Zaria, Sokoto, the early born capital (Gorsorgono and Kuka), and other cities served as entrepots to the sanarian and trans-sanarian trade, as a central cuticle Savanna. They attracted large numbers of trades and migrants from their own hinterlands and

generally also included "strange quarters', for migrants of other regions and nations in the South, the rise of Yoruba expansionist city-states and to Beninand other was stimulated by trade to the coast, and by competition among these growing Urban centres of the control of their hinterlands and of the trade from the interior to the Atlantic. The activities of European trades also attracted people of such coastal cities as Lagos, badagis, Brass and Bonnual, and later Calabar and port-Harcourt overly the original features of the earlier cities were those generated by colonial and post colonial rule, which created new urban centers while also drastically altering the older ones. All these cities and peri-Urban areas, generally tendered to have high population densities.

The northern Sauma cities grew within city walls, at the center of which were the main market. Government buildings and the central mosque. Aromid them clustered the houses of the rich and powerful. Smaller market and denser housing were formed away from this cure, along, with little markets at the gates and some cleared land wish the gates that was needed especially for siege agriculture coronps **of** specialized grant manufacturers (cloth dyers,

weavers, potters and the like) were organized into special quarters, the enterprise often being family based and inherited. Roads from the gates ran in to the central market and the administrative headquarters.

The concentration of wealth, prestige, political power, and religions learning in the cities attracts large numbers of migrants, both from the neighbouring country side and from distant reprions. His influx occasioned the building of additional sections of the city to accommodate these strangers. In many of the northern cities, these areas were separated between sections for the distant, often non-Muslim migrants not subject to the relational and after prohibition of the emir, and for those who come from the local region and were subject of the emir.

Urbanization really is not new in Nigeria. Before independence Nigeria was inhabited by about 450 ethnic groups (Williamson 1987).these ethnic natrimalities traded in and in agricultural produce and other required mineral resources between Nigeria and other western world was encouraged. Roads, railways and other Relevant and social amenities were constructed in those developed

countries (areas) which had the needed items of trade in commercial quantities. These towns attracted people who are interested in the encouraged international trade.

Nigeria as old oil exporter there was massive recon structure especially in the South –east, people also migrated to towns in search of job opportunities in emerging new towns and states capitals.

Theoretical literature on unemployment

Unemployment as defined by international labour organization occurs when people are without jobs and they have

 actively sought work within the past four weeks

Unemployment rate is the measure of the prevalence of unemployment and it is calculated as a percentage by dunding the number of unemployed by all individuals currently on the labour force. During periods of recession an economy usually experiences a relatively high unemployment rate.

In 2011 news story business week reported more than 200 million people globally are out of work, a record high, as almost two – thirds of advanced economics and half of developing countries are

experiencing a slowdown in employment rate. There remained a theoretical debate regarding the causes, consequence and solutions for unemployment.

Classical economics, neoclassical economics and the Austrian school of economics argue that market mechanisms are reliable means of resolving unemployment. These theories argue against interventions imposed on the labor market from the outside such as unionization mini UN wages laws, taxes and other regulations that they claim discourage the hiring of workers.

Keynesian economics emphasizes the cyclical nature of unemployment and recommends intern clams will reducing recession. This theory focuses on recurrent supply shocks that suddenly reduce aggregate demand for worker. Keynesian urodels recommend government interventions designed to increase demand for worker; these can include financial stimblicly funded job creation, and expansionist monetary policies Georgists, half a century before Keynes, also noted the cyclical nature but focuses on the role of speculation in land which pushes up economic rent Economic activity cannot sustained in the rent bubble because rent must be

paid mostly from wages (yield of labour) once the speculation is warning out of system the cycle of land speculation begins again.

Henry George therefore advocates the taxation of land values single tax to stop land speculation and in order to eliminate taxation of labour and capital. George opposed land nationalization and maxis' theories. Marxism focuses on the relations between the owners and the workers, whom it clams the owners pit against one another in a constant struggle for jobs and higher wages. The unemployment produced by this struggle is said to benefit the system by reducing wage cost for the owners for Marxists the causes of and solution is to unemployment.

In addition to these three comprehensive theories of unemployment there are a few categorizations of unemployment that are used to move precisely model the effects of unemployment within the economic system. The main types of unemployment include structural unemployment which focuses on structural problems the economy and insufficiencies inherent in labour markets including a mismatch between the supply and demand of laborers with necessary skill sets structural arguments emphasize

causes and solutions related to disruptrice technologies and globalization.

Discussion on frictional unemployment focus on voluntary decisions to work based on each individual valuation of their own work and how that compares to current wage rates plus the time and effort required to find a job. Causes and solutions for frictional unemployment often address barriers to entry and wage rates. Behavioural economist highlights individual biases in decision making and often involve problems and solution concerning sticky wages and inefficiency wages.

Review of unemployment in Nigeria

Unemployment arises whenever people are without jobs and they have actively sought work within the past four weeks as being defined by international labour organization. According to Olatan (2010) causes of unemployment can therefore be analyzed from both the supply and the demand side of labour market in Nigeria. On the supply sides, there is rapid growing urban labour force arising from rural-urban migration. The factors are further strengthened in Nigeria by lack of infrastructures facilities, which make the rural line

unattractive. The factor includes a wider rural – urban differential in factor of urban dwellers are the presumed higher probabilities of securing lucrative employment in the cities.

Unemployment is one of the most disturbing problems confronting most nations of the world today. Unemployment has remained distinguishably high in Nigeria indeed the 1996 international labour organization mission to Nigeria observed that" unemployment has remained one of the most intractable problems facing Nigeria since independence in 1960" (Ilo 19960. The mission report said that in 1960s and 1970s, the average unemployment rate was 2.0% and 4.5% respectively. In 1980s which international labour organization rigidly described as the "lost decade", unemployment continued torise as economic difficulties to plague the country.

Between 1973 and 1980 oil becomes a major export for Nigeria. The agricultural sector was neglected, and due to poor government attitude towards the sector, youths abandoned it in search of white- collar jobs and fortune in the oil sector. This brought about massive rural urban migration of the few that were able to get

job, some were underemployed. Voluntary unemployment is rare in Nigeria because of the harsh climate which has compelled both husband and wife of an average family to contribute to meet the financial need of their home.

The link between Urbanization and Unemployment in Nigeria

Several demographic and economic analysis agree that unemployment is in part consequence of urbanization in the developing world like Nigeria. They presented the link between urbanization, poor living condition and unemployment is neither as straight forward nor as simple as the question is Urbanization the cause of the third world unemployment and poverty" this implies that the effect of urbanization upon the third world living condition varies from region to region. The situation is result of different population growth rate and different modes of the industrialization and modernization among regions of the developing world. In some regions urbanization has created poor rural living conditions which in turn increase the rate of migration from rural area to cities.

The united nations report that youth migrants in Africa are three line more in number the an other migrants. The report also

added that the urbanization rate of the youth was 32% in 1990 compared to less than 25% for the non youth population (form crozian magazine).

Labor force survey has shown that the rate of unemployment is significantly high in urban areas than rural areas this is because rural areas usually have more self employed workers whether in family farm or in non agricultural enterprises the more people migrate to the city in search of white collar jobs the more the battle among the few available job opportunities gets momentum because everybody will be battling on how to earn a living for life survival.

The empirical study of unemployment and urbanization

In Nigeria since the early eighties, urban unemployment has assumed an alarming dimension and a cities proportion with millions of able bodies men/women who are willing to accept jobs at the prevailing wage rates are unable to find placements. This urban unemployment has been regarded as one of the most challenging economic problems facing the Nigeria policy makers. This study however examined the determinants of the urban unemployment in Nigeria.

Comparatively the survey resulted show clearly that urban unemployment is higher than rural unemployment. One of the causes according to fadogomi (1992) was the inability to develop and utilize the nation. Manpower resources effectively, especially in the rural sector.

In the determinants if urban unemployment; crisis in Nigeria; an economic analysis by baker as the study focused on he determinants of urban unemployment in Nigeria economy from 1987-2008 which is a period of thirty (30) years. The series secondary data were used for the analysis. This secondary data were obtained from such publications as world bank digest of statistics, central bank of Nigeria statistical bulletin and international financial statistics. Stochastic model was used to uninvestigated the determinants of youth's urban unemployment in Nigeria. In Nigeria unemployment is majority determined by demand for labour, supply of labour, population, inflation, capacity utilization, gross capital formation, wage rate and private domestic investment. According to his result, the supply of labour has positive efficient at both short and long run periods and is significant at the 1% level. This indicates that the high

of unemployment in Nigeria arise as a result of increase in the supply side of the labour over and above the demand side.

In conclusion of his work the study examined the determinants of unemployment in Nigeria. In trying to achieve this objective, a parsimonious error correction mechanism was used. From the previous arguments in this paper and two the empirical result, it is clear that there is a significant relationship between unemployment and demand for labour, supply of labour, population, inflation, capacity utilization, gross capital formation, nominal wage rate and private domestic measurement in Nigeria. From these findings it can be conducted that unemployment has become a major socio-economic problem in Nigeria and that it has reached a crisis proportion. The results indicated that unemployment is a serious problem especially among the young cohorts of the labour force.

In the contribution of unemployed youth to agriculture in sarduana local government area of taraba state. Nigeria by Musa, Y.H and vosanka L.P (2012). The study assessed the contributions of employed youths to agriculture. The specific objective focused on the impact of agriculture to reducing unemployment. Data ere

collected from 95 respondents using multistage random sampling technique and analyzed by means of descriptive statistics, multiple repression analyzed and chi – square. Results indicated that men (65.3%) were mostly affected by unemployment syndrome. Most (50.5%) of the respondents had non- formal Education of the respondents accounting for 7.5% chi – square result indicates significant impact of agriculture to unemployment. Age of individuals, Education and farm experience shows significant influence to agriculture, therefore were considered strong determinants of unemployment to agriculture. These factors exhibited possive relationship at 1% and5 % respectively. Constraints identifies were the efficient and high rate of agricultural inputs. It was recommended that provision of improved agricultural inputs at subsidized rate and not densification of research would improve the life of the unemployed youth in the study area. In the study of urbanization, poverty and Violence by Natalie F.B (2010) based on the study by mugalie (1995). The study goal was to view the state of evidence and theory on the connection between urban violence and poverty reduction, and on the impact and effectiveness of different interventions. The study finds that there is considerable

engagement with the issue of urbanization, urbanization poverty and urban violence by social scientists. Much is known on the character or urban impoverishments and inquality. There is also considerable research being conducted on the real and perceived costs and consequence of urban violence across an ammy of low and medium income settings. The study reveals that much of the research and debate continues to be segmented and compartmentalized within certain disciplines and geographic settings, and that there are major silence in relation to the interaction between urban poverty and urban violence.

In the study of the impact of urban crime on property values in Akire by bello v (2011). The study states that high rate of crime in our urban centres has led to a corresponding increase in the level of insecurity of lives and properties in our cities. Consequently a potential render or buyer of house would always be concerned with the crime rate in a neighborhood before making their choice. In view to this the paper examined the perception of crime and its effect on property values in two neighbourhoods (Oke – Aro and Alaba) in Akure Nigeria. The target populations are the occupants of

residential properties in these neighbourhoods. A total of 266 questionnaire were randomly used in the neighbourhood. Out of which 17.4 were returned and good for analysis. The data were analyzed using the descriptive statistics and multiple regression. The result reveals that the residents of the neighbourhoods have negative perception going in crime areas and the rate of crime is inversely related to property values. Therefore urbanization leads to increase in urban crime and reduction to the value of properties especially land per say.

In the associate factors in street crimes in Calabar metro plis written by Ukwayi J.K Agba A.M and Eraye Christopher. The study is concerned with the problems of street crimes in Calaber metropolis. The main objective of the study is to analyse factors associated with incidence of street crimes in Calabar metropolis. To achieve this objective the study elicited data through questionnaire from 490 randomly selected respondents chi- square, simple percentage and Pearson product moment conflation were used to analyze elicited data at 05% level of significance. Findings revealed that age, gender, unemployment and inadequate findings of the Nigeria police force

were factor in street crime. The study revealed that male participants in street crime are significantly higher than female.

Ukway (2008) reveals that street crime is significantly associated with high rate of unemployment. This corroborated Siegal (1995) who links street crime to economic deprivation experience by residence of a given society. This suggests that the rates of unemployment are significantly related to crime rates if people are unemployed, they are more likely to turn to crime as a means of livelihood.

Siegel (1995) also argued that unemployment may have significant impact on crime rate that are specific to offence, time or period, age and gender, it implies that unemployment influence on opportunities property crime such as burglary and least impact on violent assaults crimes. However, these arguments do not rule out the fact that variables such as greed, peer –influence among others do not influence the propensity to commit street crimes.

McKay (1969) posit that rapid social change in cities epitomized by massive immigration, individualization book urbanization, had to led to a weakening of social norms and was reflected in social

disorganization, which was the underlying cause of crime. This implies that area with higher social disorganization had higher rates of crime. It has been established in this study that street crime is associated by a multiplicity of factors including unemployment, family relations peer group influence, educational experiences, societal values rural –urban migration and inadequate funding of the police force by successive government. The recommendation is therefore government should give adequate attention to revamp the economy to reduce unemployment. Government should partner with the private sector to create more industries that would provide job opportunities to the public especially the youth's so that unemployment rate will be brought to a minimal.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Urbanization and Unemployment: These are important macroeconomic variables that affect the economic performance of nation. The purpose of this research is to empirically study and review the relationship among variables (urbanization, unemployment, population, inflation and real Gross Domestic product (RGDP) rate and their determinants).

3.1 SOURCES OF DATA

Basically, the study discusses the analysis of urbanization and unemployment in Nigeria economy. Data Used for the research work were of secondary native. Data were sourced from National Bureau of Statistic is (NBS) General household survey report (1989 – 2010). (Unemployment) and (urbanization) (1999 – 2010) and (Population) (1989 – 2010) Data were sources from Federal Ministry of Finance and Central Bank of Nigeria Note: Provision (1989 – 2010) (Inflation) Data Were sources from National National Bureau of Statistics (NBS) (1989 – 2010) (Real Gross Domestic Product) (RGDP).

3.2   METHOD OF DATA COLLECTION

The Researcher collected information through the secondary source; both descriptive and analytical approaches were employed in the treatment of Data.

3.3   RESTATEMENT OF HYPOTHESES

Based on the aforementioned, hypothesis formulation will be focused on the relationships among the deployed economic variables, Urbanization, unemployment, population inflation and GDP.

To empirically study these relationships the following hypotheses have been formulated.

Model I:-

Ho: There is no significant relationship between urbanization and GDP.

Hi: There is significant relationship between urbanization and GDP.

Model II:

Ho: Unemployment has no significant effect on GDP rate.

Hi: Unemployment have significant effect on the GDP rate.

3.4 MODEL SPECIFICATION

It is now accepted that urbanization and unemployment alone cannot be the explanatory variable that determine GDP especially in developing countries. This is because, other variable also in one way or the other effects the GDP of an economy. Specification of the model involved, therefore the determination of dependent and independent variables which will be included in the model the a prior expectation about the sign and size of the parameters of the function and mathematical form of the model.

To empirically establish the link between economic growth and urbanization and unemployment especially as a determinant factor of economic growth the variables to capture this relationship between urbanization and unemployment implication on the development of Nigeria.

Include, Gross Domestic Product (GDP) urbanization (Urban), employment (UNEMPEL), population (POP) and Here URBAN, UNEPLE, POP and INFL are the independent variables, explanatory or exogenous variables that will determine the (GDP) gross domestic product as the dependent variable.

In functional form therefore we have;

RGDP =F (urban, Unempl, POP and INFL ----------------------(1)

Where RGDP   =   Real Gross Domestic Product

URBAN   =   Urbanization Rate

UNEMPL   =   Unemployment Rate

POP   =   Population

INFL   =   Inflation

In a   more functional form using economic model we have;

RGDP = B_0 + B_1 Urban + B_2 UNEMPL + B_3 POP + B_4 INFL + U------(2)

Where Bo   =   intercept

Where B_1 and B_2 – coefficient of the parameters estimate

U – error terms

The economic a – prior expectations of the equation are as follows: a > o while a_2 > o

3.5 METHOD OF DATA ANALYSIS

To analyse the Data collected, the raw data were classified collected and tabulated. This made use of some statistical techniques ion the analysis of the information gathered.

The multiple regression analysis was used to test the validity of some hypothesis formulated unemployment level is meant to have inverse relationship with GDP rate.

Finally the predicted sign of t he coefficient is

Bo   -   Constant the model

B1   -   0

There are various econometric methods that can be used to derive estimates of the parameters of economics relationship from the statistical observation (Koutsoyianis 2001) . in this study, the econometric techniques applied is the ordinary least square method (OLS) of multiple regression analysis. It is used to determine the relationships among the economic variables, some errors may exist but its influence will be taken into account by the introduction of a random variable II in the function.

Ordinary least square (OLS) estimates is the simples and thus very common estimator. It is conceptually simples and computationally straight forward. Ordinary least square estimates are commonly used to analyze both experimental and observational data.

3.5.1 EVALUATION OF THE ESTIMATES

In order to decide if the estimate of the parameters are theoretically meaningful and statistically satisfactory we will employ various criteria which can be classified into two:

a. **Economic Apriority Criterion:** They are determined by the principles of economic theories and refer to the signs and size of the parameters of economic relationship economic theory imposes restrictions on the signs and values of the parameters of economic relationship.

b. Statistical Criterion (First Order Test): This is determined by the statistical reliability of the estimates of the parameters of the model. This will be used in this work to ascertain the prediction power of the model whether the

parameters used the model is statistically significant and to test the significant of the overall model.

Thus various statistics like adjusted R_2 square, F – test would be employed.

To test the validity of the assumption of non-auto correlations disturbance, a statistics known as the Durbin Watson will be computer.

The value of the usually lies between Z and 4.1 Durbin Watson Value is close to 1 Wesay that there is presence of positive auto correlation, if it is close to 2, then we say that there is slight or no presence of auto – correlation and if it is close to 4, then there is presence of negative auto to-relation.

3.6 TESTING OF HYPOTHESIS

The decision rule of this is that if the P- value is greater than the critical value is P – V > a, we accept the alternative hypothesis and reject the null hypothesis but if p – value is less them a is P – V<a, we reject the alternative hypothesis and accept the null hypothesis.

Where   a   -   is the level of significant

            Ho   -   Null hypothesis

            Hi   -   Alternative Hypothesis

CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF RESULTS

4.1 PRESENTATION OF REGRESSION RESULT

Number of obs = 88

F(4, 74)   = 211.78

Prob > F   = 0.0000

R-squared   = 0.9108

Root MSE   = .11618

LRGDP	Coef.	Std. Err.	t	P> ǀtǀ	[95% Conf. Interval]
LURBZ	2.836126	0.2468085	11.49	0.000	2.345234 3.327018
UNEMPL	-0.0024426	0.00038655	-0.63	0.529	-0.0101346 0.0052419
LPOPL	-2.04426	0.2808907	-7.28	0.000	-2.60294 -1.485579
INF	0.0007846	0.000802	0.98	0.331	-0.0008105 0.0023798
_CONS	-27.7385	3.11362	-8.91	0.000	-33.93137 -21.545654

4.2 INTERPRETATION/EVALUATION OF RESULT

4.2.1 ANALYSIS OF REGRESSION COEFFICIENTS:

The variation shown by the coefficient of LURBZ in the model has a positive value of 2.836216. This finding implies that a unit increase in LURBZ will increase the real GDP by 2.836216 units. In other words, as variation in LURBZ increases, RGDP in the economy will increase.

The coefficient of UNEMPL is -0.0024464. This implies a negative relationship between UNEMPL and RGDP. This suggests that a unit increase in UNEMPL will cause a decrease in RGDP by 0.0024464 units.

The coefficient of LPOPL is -2.04426. This implies a negative relationship between LPOPL and RGDP. In other words, a unit increase in LPOPL will decrease RGDP by 2.04426 units.

The coefficient of INF is 0.0007846. This implies a positive relationship between INF and RGDP. In other words, a unit increase in INF will increase RGDP by 0.0007846 units.

When all variables are held constant, the value of the real gross domestic product will be -27.7385

4.2.2 ECONOMIC TEST:

From the regression data, the obtained result is expected to follow and conform to economic a prior expectation of signs and magnitudes. Hence, the table below is summary of the outcome of our parameter.

TABLE 2:

Variables	Expected	Obtained	Conclusion
LURBZ	+	+	Conforms
UNEMPL	-	-	Conforms
LPOPL	+	-	Does not conform
INF	-	+	Does not conform

4.2.3 STATISTICAL TEST (FIRST ORDER)

These tests are determined by statistical theory and aims at evaluating the statistical reliability of the estimates and parameters of the model (koutsoyiannis, 1977). From the sample observation, the first order test is carried out based on the following R^2, t-test, and F-test.

a. COEFFICIENT OF DETERMINATION (R^2)

In this model, R^2 = 0.9108 and its implication is that 91.08% of changes of the dependent variable can be accounted for by the explanatory variable during the reference period (1989-2010). Judging by the size of the coefficient of determination (R^2), 91.08% shows a good fit for the model.

b. T-TEST

Student T-test is used to determine the significance of the individual parameter estimate. In doing this, we compare the calculated T-values in the regression result with the t- tabulated at n-k degree of freedom and at 5% level of significance.

H_0: B = 0 (the individual parameter is not significant)

H_1: B ≠ 0 (the individual parameter is significant)

B= Coefficient of the Parameter

H_0 = Null Hypothesis

H_1 = Alternative Hypothesis

DECISION RULE:

Reject H_0 if T- calculated > T- tabulated or accept H_0 if otherwise.

n = 88   K = 5   n-k = 83.

TABLE 3: T-test

Variables	T-Calculated	T-tabulated	Conclusion
LURBZ	11.49	± 1.9889	Statistically significant
UNEMPL	-0.63	± 1.9889	Statistically insignificant
LPOPL	-7.28	± 1.9889	Statistically significant
INF	0.98	± 1.9889	Statistically insignificant
_CONS	-8.91	±1.9889	Statistically significant

The interpretation of the result of the T-test carried out shows that the constant, urbanization, and population are statistically significant, while unemployment and inflation are not statistically significant.

c. F-TEST

Following Gujarati (2004), to find out whether the model is adequate and well specified, we use the F-test, such that F- calculated

exceeds F-tabulated at 5% level of significance implying that the model is well specified.

This analysis shall be carried out under the following hypothesis;

H_0: B = 0

H_1: B ≠ 0

H_0; shows that the model is not significant

H_1; shows that the model is significant

DECISION RULE;

Reject H_0 if F-calculated > F- tabulated.

For the numerator, the degree of freedom is k-1 = 5-1 = 4

For the denominator, the degree of freedom is n-k = 88 - 5 = 83 at 5% level of significance.

TABLE 4: F-test

F-CALCULATED	F-TABULATED	DECISION
211.78	2.482	Reject H_0

It is observed 211.78 > 2.482, we then reject H_0 and conclude that the overall model is statistically significant.

4.2.4 ECONOMETRIC TEST (SECOND ORDER)

These tests are based on econometric theory and are aimed at finding out whether the underlying assumptions of OLS regarding the estimation of time series data are satisfied.

i.   AUTOCORRELATION TEST

The reported DW statistics is 1.406386, following Gujarati.

Table 5

NULL HYPOTHESIS	DECISION	IF
No Positive Autocorrelation	Reject	$0 < d < dl$
No Positive Autocorrelation	No Decision	$dl \leq d \leq du$
No Negative Autocorrelation	Reject	$4- dl < d \leq 4$
No Negative Autocorrelation	No Decision	$4-dl \leq d \leq 4-dl$
No Autocorrelation	Do Not Reject	$du < d < 4-du$

Where;

      d = Durbin Watson

      dl = Lower limit Durbin Watson

      du = Upper limit Durbin Watson

n = 84

K = 4 (excluding the dependent variable).

At 5% level of significance

d = 0.1670818

dl = 1.58358

du = 1.72429

And since $0 < d < dl$ (that is $0 < 0.1670818 < 1.58358$), we conclude that it falls within the rejection range. So we reject and conclude that there is positive serial correlation in the residuals.

ii.   NORMALITY TEST

Normality test adopted is the Jacque-Bera (JB) test of normality. The JB test of normality is an asymptotic or large-sample and it is based on the OLS residuals. This test computes the skewness

and kurtosis measures of the OLS residuals and it follows the chi-square distribution (Gujarati, 2004: 148).

Jacque-Berra follows the x^2 distribution with 2 degrees of freedom.

Using the chi-square table (x^2), if x^2 - calculated > x^2 - tabulated, we reject the null hypothesis.

H_0, residual are normally distributed

H_1 residual are not normally distributed.

At 5% level of significance

Degree of freedom x^2 - calculated = 6.81 @ 2 degrees of freedom

Degree of freedom x^2 - tabulated = 5.991

Therefore, the residual are not normally distributed since 6.81 > 5.991. Hence, we reject the H_0.

iii. HETEROSCEDASTICITY TEST

Heteroscedasticity Test: we shall employ the White's heteroscedasticity test. See Gujarati (2004). This test is basically on the variance of the error term. The test helps to ascertain whether the variance of the error term is constant.

H_0: Homoscedasticity (the variance of the error term is constant)

H_1: Heteroscedasticity (the variance of the error term is not constant)

Decision rule

If x^2-calculated > x^2-tabulated, reject the null hypothesis.

X^2-calculated = 69.00 at 14 degrees of freedom.

X^2-tabulated = 23.685 under 0.05 significant level.

Since, x^2-calculated > x^2-tabulated, we accept the H_1 heteroscedasticity which concludes that the conditional variance of the error term is not equal.

iv. MULTICOLINEARITY TEST

Using the correlation matrix result

Table 6

	LURBZ	UNEMPL	LPOPL	INF
LURBZ	1.000			
UNEMPL	0.7889	1.000		
LPOPL	0.9689	0.6962	1.000	
INF	-0.4426	-0.5397	-0.3540	1.000

From the table above, the pair-wise LPOPL and LURBZ has a correlation in excess of 0.8 (i.e. 0.9689). Thus, we are fit to conclude that multicollinearity does exist between the pair-wise.

4.3 HYPOTHESIS TESTING:

H_0: Urbanization has no significant impact relationship on economic growth in Nigeria.

H_0: Unemployment has no significant impact relationship on economic growth in Nigeria.

Conclusion: The results from the t-test revealed that urbanization has a positive significant impact on the real gross domestic product, while that of unemployment is negative and insignificant on the real gross domestic product. Thus we will reject the first null hypothesis and accept the second null hypothesis, concluding that;

- Urbanization has a significant impact on economic growth in Nigeria.
- Unemployment has no significant impact on economic growth in Nigeria.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1   DISCUSSION OF FINDING

The objectives of this study are examine the effect of urbanization and unemployment on the Nigeria economy. With the data obtained followed by the statistical method used, the researchers were able to analyses the statistical information and test formulated hypothesis.

From the test of hypothesis, it was recorded that unemployment has significant impact on the GDP with negative relationship on GDP while urbanization has significant impact with positive relationship on GDP.

5.2   SUMMARY

Urbanization and unemployment have indeed become a thorn in the flesh of successive government in Nigeria. The economic hardship in the country today has been worsened by the unending problem posted by urbanization and unemployment among youths. The face is that unemployment among youths. The face is that unemployment also exists in rural areas but predominant in urban centre where there are opportunities for paid job wish attractive

remunerations that attracts young women and me from the rural areas.

More so, the consequences of such inflow of able bodies men and women into the urban centre coupled with high rate of unemployment lead to several vices such as robbery, prostitution, drug trafficking which are of adverse effect to the economy.

5.3   CONCLUSION

In order to evaluate this study, the researchers went through collection of secondary data which were statistically analyzed. The results obtained from the statistical analysis carried out by the researchers, unemployment has significant impact on the gross domestic product of Nigeria and as unemployment increases GDP decreases ie unemployment has a negative relationship with GDP.

As rate of urbanization increases, the rate of unemployment also increases the two moves in the same direction. This is because of the unattractiveness of the rural area which through rural – urban migration pushes up the population of the urban area more than it can accommodates in terms of facilities and job opportunities. This situation of rural – urban migration creates large scale Unemployment among youths which encourages the development of

illegal activities and in term leads to decline in productivity and development of the economy.

5.4   RECOMMENDATION

In the course of this study, so many observations were made these observations how that if appropriate step are not taken quickly to arrest the situation, the problem will get out of hand.

Therefore, the following recommendations are made based on the findings:

1.   Availability of Agriculture facilities such a tractor incubators will make agriculture attractive in rural areas and decrease the rural – urban migration of the young people.

2.   Government in collaboration with private sector could make and implement programme for rural upliftement such as health care programmes, housing loans, electricity, water supply etc. So that they will not have interest to migrate to urban areas.

3.   The control of population growth through persuasion, legislations reduction in absolute pourly and inequality particularly among women and general education should be

embarked upon since population has out- numbered the available resources thereby leading to unemployment.

4.   Institutions of higher learning could be established in rural areas and property funded so that they will not migrate to the cities where they can acquire higher education and this will also fetch some people that into lecturing work jobs thereby reducing urbanization and unemployment at the same time .

Conclusively, the sincerity of government in achieving all these will go a long way in solving the problems of high rate of rural- urban migration and unemployment in Nigeria.

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