

Capital Accumulation and Unemployment in Namibia, Nigeria and South Africa

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Abstract : The research investigates the causes of unemployment in Namibia, Nigeria and South Africa, and the role of Capital Accumulation in reducing the unemployment profile of these economies as proposed by the post-Keynesian economics. This is conducted through extensive review of literature on the NAIRU models and focused on the post-Keynesian view of unemployment within the NAIRU framework. The NAIRU (non-accelerating inflation rate of unemployment) model has become a dominant framework used in macroeconomic analysis of unemployment. The study views the post-Keynesian economics arguments that capital accumulation is a major determinant of unemployment. Unemployment remains the fundamental socio-economic challenge facing African economies. It has been a burden to citizens of those economies. Namibia, Nigeria and South Africa are great African nations battling with high unemployment rates. In 2013, the countries recorded high unemployment rates of 16.9%, 23.9% and 24.9% respectively. Most of the unemployed in these economies comprises of youth. Roughly about 40% working age South Africans has jobs, whereas in Nigeria and Namibia is less than that. Unemployment in Africa has wide implications on households which has led to extensive poverty and inequality, and created a rampant criminality. Recently in South Africa there has been a case of xenophobic attacks which were caused by the citizens of the country as a result of unemployment. The high unemployment rate in the country led the citizens to chase away foreigners in the country claiming that they have taken away their jobs. The study proposes that there is a strong relationship between capital accumulation and unemployment in Namibia, Nigeria and South Africa, and capital accumulation is responsible for high unemployment rates in these countries. For the economies to achieve steady state level of employment and satisfactory level of economic growth and development there is need for capital accumulation to take place. The countries in the study have been selected after a critical research and investigations. They are selected based on the following criteria; African economies with high unemployment rates above 15% and have about 40% of their workforce unemployed. This level of unemployment is the critical level of unemployment in Africa as expressed by International Labour Organization (ILO). The African countries with low level of capital accumulation. Adequate statistical measures have been employed using a time-series analysis in the study and the results revealed that capital accumulation is the main driver of unemployment performance in the chosen African countries. An increase in the accumulation of capital causes unemployment to reduce significantly. The results of the research work will be useful and relevant to federal governments and ministries, departments and agencies (MDAs) of Namibia, Nigeria and South Africa to resolve the issue of high and persistent unemployment rates in their economies which are great burden that slows growth and development of developing economies. Also, the result can be useful to World Bank, African Development Bank and International Labour Organization (ILO) in their further research and studies on how to tackle unemployment in developing and emerging economies.

Keywords : capital accumulation, unemployment, NAIRU, Post-Keynesian economics

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