Econometric Assessment of the Impact of Conflict on Youth Unemployment in Nigeria (2003-2023)

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Abstract:

This study examines the impact of conflict intensity on youth unemployment in Nigeria from 2000 to 2023 using an autoregressive distributed lag model. The findings indicate that the fatality rate and conflict frequency significantly increase youth unemployment, while the population of internally displaced persons has a negative but insignificant effect. The study recommends implementing effective conflict resolution and prevention strategies to mitigate their impact on youth unemployment.

Keywords: Conflict frequency; Youth unemployment; Fatality rate and Internally Displaced Persons.

Jel Classification : J64 ; D74 ; C23 ; O17

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1. Introduction

Armed conflict and its socio-economic impacts are significant research areas in developing nations, particularly in sub-Saharan Africa, where conflict rates are among the highest globally. These conflicts disrupt economic and social stability, increase fatalities, displace populations, and exacerbate youth unemployment (Blattman & Annan, 2016). In Nigeria, the relationship between armed conflict and youth unemployment is a critical concern, especially in the north and middle belt regions affected by insurgency, communal violence, and banditry. Such conflicts contribute to rising fatality rates, increased violence, growing IDP populations, and worsening youth unemployment. Globally, research identifies a cyclical relationship between conflict and economic instability, where youth unemployment fuels social unrest, perpetuating further violence (Collier & Hoeffler, 2004). Armed conflict reduces educational access, limits employment, and forces youth into informal or illegal sectors, deepening poverty cycles (Justino, 2017). Younger populations in developing countries are particularly vulnerable due to restricted social mobility and limited economic opportunities (World Bank, 2021). Youth unemployment in Nigeria is a structural socio-economic issue worsened by ongoing conflict. In 2022, the youth unemployment rate exceeded 40% (National Bureau of Statistics (NBS), 2022). Unemployed youth are susceptible to recruitment by armed groups, which increases instability (Higazi, 2018).

Economic exclusion limits social cohesion and access to services, reinforcing the conflict-unemployment cycle (United Nations Development Programme (UNDP), 2017). Fatality rates, a measure of conflict-related deaths, highlight the human cost of Nigeria's armed conflicts. Regions with high youth unemployment report elevated fatality rates due to the enlistment of young people into violent groups (Oyefusi, 2008). This violence disrupts education, displaces communities, and impairs productivity. The Boko Haram insurgency in northeastern Nigeria exemplifies how conflict and limited economic opportunities increase fatality rates (Walker, 2016). Conflict frequency, or the recurrence of violent clashes, is another consequence of armed conflict. Research shows a link between elevated youth unemployment and increased conflict frequency, as disenfranchised youth engage in violence due to socio-political grievances or survival needs (Mercy Corps, 2016). This pattern is evident in Nigeria's northeast and central regions, where unemployment and economic underdevelopment correlate with persistent violence (Onapajo, 2017). Additionally, armed conflicts often result in large-scale displacement, increasing unemployment among IDPs. Nigeria's IDP population, concentrated in the northeast, includes a substantial youth demographic facing limited employment prospects (International Organization for Migration (IOM), 2022). Restricted opportunities in IDP camps perpetuate poverty and prevent reintegration into the workforce (United Nations High Commissioner for Refugees (UNHCR), 2022).

Youth unemployment in Nigeria is a persistent socio-economic challenge, worsened by armed conflicts over the past two decades. Prolonged violence from insurgent groups like Boko Haram, communal clashes, and banditry in northern and central regions has increased fatality rates, conflict frequency, and the IDP population (Okonofua & Aluko, 2021). This dynamic creates a feedback loop where economic instability drives social unrest, reinforcing violence and joblessness (World Bank, 2022). However, the relationship between specific conflict indicators fatality rates, conflict frequency, and IDP populations—and youth unemployment remains underexplored. High fatality rates disrupt local economies by forcing business closures and reducing job opportunities (Walker, 2018). (Justino, 2017) argues that these disruptions increase youth unemployment by displacing large population segments. Conversely, others suggest that structural labor market issues, such as skills mismatches and inadequate education, also contribute (Ajakaiye & Fakiyesi, 2020). Nevertheless, these structural problems are often exacerbated by conflict, indicating a reciprocal relationship that warrants further examination.

Despite existing research, there is a gap in empirical studies connecting specific conflict indicators to youth unemployment in Nigeria. Most studies treat these variables independently rather than analyzing their interactions, particularly over the period from 2003 to 2023. This study seeks to address these gaps by investigating how fatality rates, conflict frequency, and the IDP population influence youth unemployment in Nigeria. Understanding these dynamics is crucial for policymakers designing strategies to address both economic and security challenges. This research will also contribute to broader knowledge on the socio-economic impacts of armed conflict, particularly as they affect young Nigerians.

2. Review of Related Literature

Youth vulnerability and economic marginalization in Nigeria are pressing socio-economic concerns, exacerbated by high unemployment rates and limited access to quality education and economic opportunities. Youth vulnerability refers to the increased likelihood of young individuals experiencing adverse socio-economic outcomes due to systemic inequalities and external shocks (World Bank, 2023). In Nigeria, where over 60% of the population is under the age of 25, these challenges are particularly acute (National Bureau of Statistics (NBS), 2023). Economic marginalization manifests through the exclusion of youth from formal labor markets, which restricts their access to stable, well-paying jobs and perpetuates cycles of poverty and social inequality (Akinyemi & Ogunlana, 2022). A significant driver of youth marginalization in Nigeria is the mismatch between the educational system and labor market demands. Many Nigerian youth lack the practical skills required by employers, particularly in emerging industries such as technology and renewable energy (Olumide & Bassey, 2023). This skills gap is more pronounced in rural and conflict-prone regions where access to quality education and vocational training is limited. Furthermore, infrastructural deficits, underdeveloped industries, and inadequate policy frameworks have compounded the problem, preventing young people from participating fully in the economy (Adebayo & Eke, 2023).

Economic marginalization also has profound social consequences. Excluded youth are more vulnerable to engaging in criminal activities, participating in insurgency movements, and experiencing political disenfranchisement (Ojo et al., 2023). For instance, the Boko Haram insurgency in northern Nigeria has capitalized on the economic exclusion of youth, recruiting disillusioned and unemployed individuals (Ibrahim, 2023). Therefore, addressing youth vulnerability requires comprehensive strategies that address both economic and social dimensions, ensuring equitable access to education, skills development, and employment opportunities.

Economic displacement defined as the forced or unintended loss of economic opportunities due to external factors such as conflict, policy changes, and environmental degradation has significantly contributed to youth unemployment in Nigeria (World Bank, 2023). Economic displacement is particularly prevalent in conflict-affected regions such as the northeast, where insurgencies have disrupted local economies, displaced populations, and diminished employment opportunities (United Nations Development Programme (UNDP), 2023). This displacement uproots youth from traditional livelihoods, such as agriculture and small-scale trade, without providing alternative means of income (Akinyemi & Adeola, 2023).

In addition to conflict, economic displacement in Nigeria is driven by structural adjustments and economic policies. For example, currency devaluation, import restrictions, and other policy shifts have disrupted businesses and labor markets, disproportionately affecting youth employment (Adeyemi & Okeke, 2023). Rural-to-urban migration also intensifies the issue, as displaced youth move to urban areas in search of better opportunities, increasing

competition for limited jobs and straining urban infrastructure (Ibrahim, 2023). The effects of economic displacement extend beyond job loss, contributing to a cycle of poverty and social instability. Displaced youth often lack the resources and skills necessary to transition into new employment sectors, further deepening economic exclusion (Adebayo et al., 2023). This situation is compounded by Nigeria's reliance on oil exports, which makes the economy vulnerable to global market fluctuations. Diversifying the economy through investment in agriculture, technology, and manufacturing is essential to mitigate the long-term impacts of displacement and create sustainable employment opportunities for youth (Olaiya, 2023).

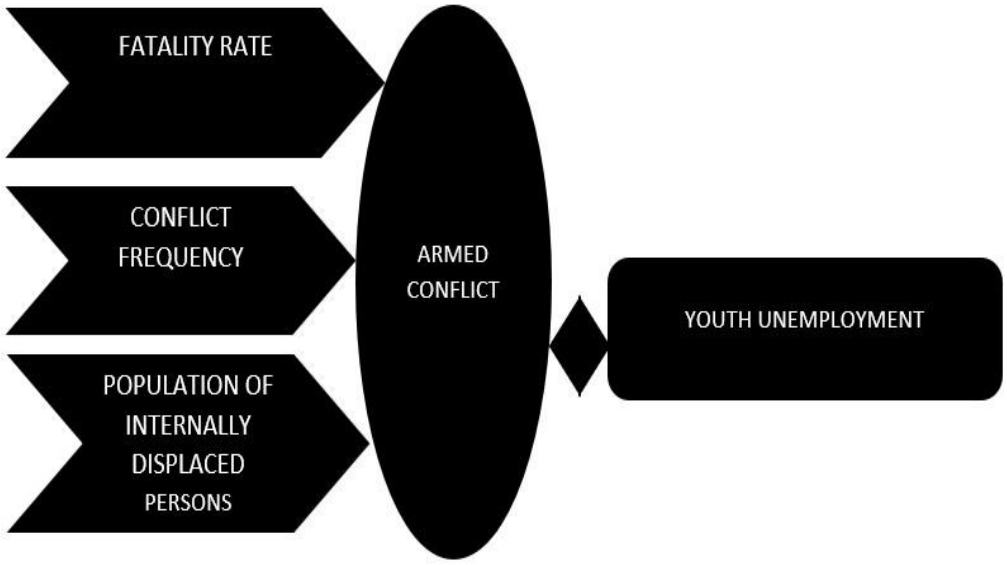
Government policies and targeted interventions play a crucial role in addressing youth unemployment in Nigeria. Policymakers have recognized that reducing unemployment requires a multifaceted approach focusing on improving education and skills development, promoting entrepreneurship, and implementing labor market reforms (Akinyemi & Ogunlana, 2022). Key government initiatives, such as the National Social Investment Program (NSIP) and the N-Power initiative, aim to provide job placements, technical training, and financial support for unemployed youth (National Bureau of Statistics (NBS), 2023). These programs reflect the government's commitment to equipping young people with the necessary skills for sustainable employment and fostering economic inclusion (Federal Ministry of Youth and Sports Development, 2022).

Skill development programs have been central to Nigeria's policy approach. For instance, the Youth Entrepreneurship Support (YES) program by the Bank of Industry focuses on equipping youth with business skills and financial literacy to facilitate self-employment (Adeola & Akanbi, 2023). Additionally, Technical and Vocational Education and Training (TVET) initiatives aim to bridge the gap between formal education and labor market demands, particularly in sectors such as information technology and renewable energy (Olumide & Bassey, 2023). Economic diversification policies are also vital for reducing youth unemployment. By promoting industrial growth and supporting small and medium-sized enterprises (SMEs), the government aims to create sustainable employment in non-oil sectors (Adebayo & Eke, 2023). Agriculture and manufacturing are particularly important for youth employment, especially in rural areas where joblessness is disproportionately high (World Bank, 2023). Despite these efforts, challenges remain in the effective implementation of youth employment policies. Bureaucratic inefficiencies, inconsistent funding, and corruption hinder the impact of these programs (Umeh & Bello, 2023). Additionally, the limited reach of interventions in rural areas and inadequate monitoring mechanisms result in disparities in program outcomes (Oluwole & Taiwo, 2022). Addressing these challenges requires stronger institutional frameworks, increased policy coherence, and improved monitoring to ensure programs effectively reach their intended beneficiaries.

2.1.Conceptual Framework

In evaluating the interaction nexus between armed conflict and unemployment in Nigeria, which is the main thrust of this study, the conceptual interconnectedness follows the form shown in Fig. 1 below:

Figure 1: Diagrammatic Linkage Between Youth Unemployment and Armed Conflict



Source: Author`s creation from the variables of interest in the study (2024)

2.2.Theoretical Review

The study underpins Social Conflict Theory and Human Capital Theory because they offer complementary perspectives on how structural inequalities and lack of access to resources exacerbate youth unemployment in conflict zones. While Social Conflict Theory explains how systemic inequalities drive both conflict and unemployment. Though, Human Capital Theory highlights the importance of education and skill development in addressing youth unemployment.

a. Social Conflict Theory (SCT)

Social Conflict Theory (SCT), developed by Karl Marx in the 19th century, analyzes societal inequalities and power struggles, arguing that these disparities drive social conflict. It emphasizes how economic systems, particularly capitalism, create and maintain inequality, leading to competition over scarce resources such as wealth and power. Social institutions like education and government reinforce these inequalities, perpetuating the marginalization of lower classes and fostering social change through conflict.

In Nigeria, armed conflicts such as the Boko Haram insurgency and Niger Delta militancy are closely linked to socio-economic inequalities (Akinyemi, 2021). Youth unemployment in conflict zones like the northeast and Niger Delta is exacerbated by poverty, limited education, and a lack of economic opportunities. SCT explains how these conditions enable armed groups to recruit disillusioned youth by offering financial incentives and social belonging (United Nations Children's Fund (UNICEF), 2020). The theory highlights that such issues stem from broader socio-political and economic structures that marginalize certain groups. A strength of SCT is its focus on the structural causes of social problems, offering a framework to understand how inequalities drive youth unemployment and armed conflict (Becker, 1964). However, it is criticized for being overly deterministic, overlooking personal agency and other critical factors such as ethnic and religious tensions, which are significant in Nigeria's conflicts. Despite its limitations, SCT provides valuable insights into how structural inequalities contribute to social unrest.

b. Human Capital Theory (HCT)

Human Capital Theory (HCT), introduced by Gary Becker in 1964, posits that investments in education, skills, and health enhance individual productivity and earnings. It views knowledge and skills as valuable assets that can be developed similarly to physical capital. HCT is particularly relevant to understanding youth unemployment in conflict-prone regions like Nigeria. This essay examines the theory's relevance to youth unemployment in Nigeria from 2002 to 2023, focusing on the effects of armed conflict while discussing its strengths, weaknesses, and assumptions. HCT suggests that education and skills development increase employability and economic productivity (Becker, 1964). It assumes that individuals make rational decisions to invest in education and that labor markets reward these investments. However, in Nigeria, armed conflicts particularly in the northeast and Niger Delta have disrupted education and economic activities, intensifying youth unemployment. Between 2002 and 2023, conflict destroyed educational infrastructure and displaced populations, limiting access to skills training (United Nations Children's Fund (UNICEF), 2020). In these regions, even educated youth face employment challenges due to insecurity and limited opportunities (Akinyemi, 2021).

A strength of HCT is its emphasis on education and skills development as solutions to unemployment. It provides a framework for addressing youth unemployment through educational reforms and vocational training (Sen, 1999). However, the theory overlooks structural challenges such as job scarcity, market distortions, and social inequalities. In conflict zones, investing in human capital alone is insufficient without job creation and infrastructural development (Sen, 1999). Despite these limitations, HCT remains a useful lens for understanding how disrupted education systems contribute to persistent youth unemployment in Nigeria.

2.3.Empirical Review

(Suleiman & Ibrahim, 2023) explored the relationship between fatality rates and youth unemployment in Nigeria, focusing on the impact of violent conflict-related fatalities in the northern regions. The study covered the years 2010 to 2022 and employed a panel data analysis using fixed and random effects models. The findings revealed a significant positive correlation between high fatality rates due to insurgency and the increase in youth unemployment. The study also observed that periods of high fatalities often led to decreased educational opportunities for youth, worsening unemployment.

(Adejoke & Bakare, 2023) analyzed the effect of fatality rates from violent crimes on youth unemployment in urban areas of Nigeria. Using time-series data from 2005 to 2021, they applied an Autoregressive Distributed Lag (ARDL) model to assess the impact. The study found that high fatality rates due to armed robberies, kidnappings, and civil unrest significantly increased youth unemployment rates. The authors noted that while government interventions in security had a short-term positive effect on reducing unemployment, long-term solutions such as job creation programs were more effective.

(Akinleye & Obinna, 2023) examined the effect of fatalities from communal violence on youth unemployment in rural Nigeria. The study, which spanned from 2008 to 2022, used a longitudinal design and analyzed data from affected states using a fixed-effects regression model. The research found that fatalities from ethnic and religious conflicts led to increased youth unemployment as economic activities were disrupted. However, the study also observed that after major communal conflicts, government aid and recovery programs led to temporary increases in youth employment.

(Fadare & Chika, 2023) focused on the impact of fatality rates from gang violence on youth unemployment in Lagos State. Using data from 2010 to 2022 and a time-series regression model, the study found that gang-related fatalities contributed to a rise in youth unemployment by increasing the number of young people displaced or incarcerated. While some youths were able to find temporary employment in security-related fields, these opportunities were not sustainable.

(Durojaiye & Salami, 2023) explored the relationship between conflict frequency and youth unemployment in Nigeria, focusing on the recurrent insurgencies in the Northern region. The study covered the period from 2010 to 2022 and employed a longitudinal research design with time-series analysis. The authors found that frequent conflicts significantly worsened youth unemployment by displacing workers, destroying local economies, and reducing opportunities for skill development. However, the study also found some short-term employment opportunities in peacekeeping and reconstruction sectors.

(Adebayo & Ayodele, 2023) examined how conflict frequency affects youth unemployment in the Middle Belt of Nigeria, particularly focusing on ethnic and religious clashes. The study used data from 2012 to 2022 and applied an econometric analysis using Ordinary Least Squares (OLS). The findings indicated that higher conflict frequency was linked to a significant rise in youth unemployment, as it disrupted agricultural and informal businesses that young people depend on. While short-term relief programs like vocational training offered some positive outcomes, they were insufficient to offset the overall negative impact of frequent conflicts.

(Ibrahim & Balogun, 2023) studied the impact of conflict frequency on youth unemployment in the Niger Delta, focusing on the recurring militant attacks on oil infrastructure. The study covered the years 2008 to 2022 and employed quantitative research design using the Vector Autoregressive Model (VAR). The findings showed that frequent conflicts in the Niger Delta region led to a significant rise in youth unemployment, particularly in the oil and gas sectors, which are major employers of youth. However, some positive outcomes were observed in the form of temporary employment in security and reconstruction jobs.

(Nwogu & Chukwu, 2023) investigated the relationship between the frequency of armed conflicts and youth unemployment in Nigeria's Southwestern region. The study, which covered the years 2010 to 2021, used a survey research design and regression analysis. The authors found that frequent conflicts caused widespread displacement, which directly affected youth unemployment as it reduced access to education and vocational training. Positive findings included some temporary employment opportunities through humanitarian efforts, but these did not significantly reduce long-term unemployment.

(Adedeji & Oladipo, 2023) examined the frequency of violent protests and strikes and their impact on youth unemployment in urban areas of Nigeria, particularly focusing on Lagos and Abuja. The study used time-series data from 2015 to 2022 and employed an autoregressive model to analyse the data. The findings revealed that frequent protests and strikes led to increased youth unemployment, as these events disrupted business activities and delayed public projects. However, the study also noted that periods of calm following protests sometimes led to a temporary reduction in unemployment due to recovery efforts.

(Fayemi & Onuoha, 2023) investigated how the frequency of farmer-herder conflicts affected youth unemployment in Nigeria's North-Central region. The study used data from 2011 to 2022, applying a cross-sectional research design with regression analysis. The findings suggested that frequent farmer-herder clashes led to increased unemployment among rural

youth, especially those involved in agriculture. The study also found that the frequency of conflicts exacerbated youth migration to urban areas, where job opportunities were limited.

(Adamu & Fatimah, 2023) focused on the impact of internally displaced populations on youth unemployment in urban centres of Nigeria, particularly in Abuja and Lagos. Using a longitudinal research design from 2015 to 2022, the study employed a difference-in-differences (DID) approach to assess the effect of IDP population growth on youth unemployment. The results indicated that an increase in the number of IDPs contributed to higher competition for jobs, particularly in the informal sector.

(Adeniran & Bello, 2023) investigated the impact of IDP populations on youth unemployment in Nigeria's southwestern states, focusing on both rural and urban settings. The study, covering the period from 2015 to 2021, used an economic modelling approach with fixed-effects regression. The findings suggested that the growing population of IDPs in urban areas put pressure on housing, health services, and employment opportunities, leading to increased youth unemployment. On the positive side, the study noted that some IDPs contributed to local economies through trade and entrepreneurship. The authors concluded that sustainable solutions for IDP resettlement and community development could help alleviate the impact on youth unemployment.

(Umar & Musa, 2023) studied the effect of IDP population growth on youth unemployment in the Niger Delta, with a focus on how displacement from oil-related conflicts affected local youth. The study used data from 2010 to 2022 and applied quantitative research design using time-series analysis. The results showed a significant rise in youth unemployment as the population of IDPs increased, with many young people unable to find work due to the competition from displaced persons. While some IDPs found temporary employment in security and logistics sectors, the study concluded that the overall economic strain exacerbated the unemployment problem.

(Jibola & Ayodele, 2023) explored the impact of the IDP population on youth unemployment in Nigeria's southeast, focusing on the socio-economic effects of displacement. The study, covering 2012 to 2022, used a cross-sectional survey design and multivariate regression analysis. The findings indicated that an increase in the number of IDPs led to a reduction in available job opportunities for local youth, particularly in agriculture and service sectors. However, the study also found that some IDPs were able to secure employment through government-funded programs, albeit in small numbers.

(Olamide & Adebayo, 2023) analyzed the relationship between IDP population growth and youth unemployment in the conflict-affected states of Nigeria's North West. The study covered the period from 2014 to 2022 and used a qualitative research design, with data collected through interviews and focus groups. The study found that as the IDP population increased, local youth unemployment rates also rose due to increased competition for jobs and the loss of local economic activities. However, some positive findings included job opportunities in aid and reconstruction programs for youth. Finally, (Olaniyi, 2017) investigated the detrimental effects of armed conflict on youth unemployment in Nigeria, focusing on the fatality rate, conflict frequency, and internally displaced persons (IDPs). Using quantitative data from 2010 to 2020, the research employs descriptive statistics, correlation analysis, and regression model This study provides empirical that armed conflict has devastating consequences on youth unemployment in Nigeria. The findings highlight the urgent need for policymakers to address the root causes of conflict, protect human life, and provide support for IDPs to reintegrate into the economy.

Armed conflict's impact on youth unemployment in Nigeria remains underexplored, with most studies focusing on general economic effects rather than the specific pathways through which conflict worsens youth joblessness. Existing research overlooks how conflict-driven displacement, resource scarcity, and labor market disruption intersect to affect youth employment.

This study addresses the gap by integrating Social Conflict Theory and Human Capital Theory. Social Conflict Theory emphasizes how conflict exacerbates structural inequalities such as unequal access to education and employment deepening youth unemployment. Human Capital Theory highlights how conflict disrupts education and skills development, reducing young people's ability to participate in the labor market.

While previous studies apply these theories separately, few combine them to examine how conflict intensifies youth unemployment. By using both frameworks, this research offers a comprehensive understanding of how inequality and depleted human capital perpetuate youth joblessness in conflict-affected regions of Nigeria.

3. Methodology

This study is drawn from secondary sources such as World Development Indicator and Armed Conflict Location & Event Data (ACLED). World Development Indicator is a repository of the World Bank and ACLED is a repository for armed conflict related data. The coverage period is 20years from 2003 to 2023 which is an annualized time series.

The functional relationship examined by this study is presented as follows:

$$UNEMP(Youth) = f(AC)$$

Where:

UNEMP(Youth) = Youth Unemployment; AC = Armed Conflict and f = functional notation

The model for this study in a form duly estimated following the Autoregressive Distributed Lag Model appears as follows:

$$UNEMP(Youth)_t = \beta_0 + \sum_{n=1}^{k} \beta_1 \Delta\, UNEMP(Youth)_{t-n} + \sum_{n=1}^{k} \beta_2 \Delta\, FR_{t-n} + \sum_{n=1}^{k} \beta_3 \Delta\, CF_{t-n} + \sum_{n=1}^{k} \beta_4 \Delta\, IDPpop_{t-n} + \rho_1 UNEMP(Youth)_{t-n} + \rho_2 FR_t + \rho_3 CF_t + \rho_4 IDPpop_t + \varepsilon_t$$

Where:

β_0 = the constant or the intercept, $\beta_1 - \beta_4$ are the coefficient of the short run parameters.

$\rho_1 - \rho_3$ are the coefficient of long run parameters, $t - n$ is indicative of the lagged time series, ε_t = error term, $\Delta =$ the difference operators,
k, n shows the minimum and maximum lag

4. Results

The descriptive statistics were computed to determine the aggregative tendencies of the series, deviation from their mean values and the symmetric properties of the series.

Table 1: Summary of Basic Descriptive Statistics

Variables	Mean	Median	Maximum	Minimum	Std. Dev.	Skewness	Kurtosis	CV
UNEMP(Youth)	10.82	10.07	13.80	7.66	2.31	0.12	1.58	0.21
FATRATE	1091.24	1134.00	1882.00	240.00	677.32	-0.08	1.39	0.62
FREQ	37.88	26.00	82.00	11.00	28.95	0.80	1.85	0.76

Source: Authors' Compilation (2025)

The measures of spread and variation of all the series are reported. Given close attention the relative standard deviation which is the quotient of the standard deviation and the mean, they are all less than unity (1) indicating that the series are not highly dispersed.

The test for linear association is reported in table 2 which is primary evidence of whether the variables are properly correlated to remove the suspicion of multicollinearity.

Table 2: Correlational Matrix

Variable	UNEMP(Youth)	FATRATE	FREQ	IDP
UNEMP(Youth)	1.00	0.68	0.83	-0.53
FATRATE	0.68	1.00	0.87	0.14
FREQ	0.83	0.87	1.00	-0.24
IDP	-0.53	0.14	-0.24	1.00

Source: Authors' Computation

The correlation matrix rules out every possible case of high correlation and shows that the series are independently distributed.

Next, the Augmented Dickey-Fuller (ADF), for unit root produced the results of the stationarity properties of the series as shown in table 3.

Table 3: Unit Root Test Results

	Test stat	Critical Values@			INF
		1%	5%	10%	
FATRATE	-5.69	-4.39	-3.61	-3.243	I(0)
FREQ	-7.18	-4.39	-3.61	-3.24	I(0)
IDP	-4.79	-4.42	-3.62	-3.25	I(0)
UNEMP(Youth)	-5.98	-4.39	-3.61	-3.24	I(1)

Source: Authors' Computation

Fatality rate, conflict frequency and internally displaced population were found to be integrated of order zero I (0) while YUNEMP was found to be stationary at first difference. This justifies the use of the ARDL model because of its tolerance for variables with differences in orders of integration.

A summary of the ARDL regression results, is reported in table 4.

Table 4: Summary of ARDL regression results

Variables	Coefficient	Std. Error	t-Statistic	p-Values
C	2.16	0.45	4.79	0.000
FATRATE	0.08	0.09	2.62	0.017
FREQ	0.01	0.002	2.30	0.033
IDP	-0.04	0.05	0.77	0.45
JOINT STATISTICS AND DIAGNOSTIC TESTS				
R-squared	85.4%			
Adjusted R-squared	83.3%			
F-statistic	32.55			
BGLM	2.19			
RESET	1.18			
HET	1.08			
CS/SS	STABLE			

Source: Authors' Computation

The explained variation which is the percentage of the change in youth unemployment that is jointly accounted for by the armed conflict variables is shown by the R^2 85%. This explains that 15% of the variations in youth unemployment within the context of the formulated model is accounted for by unmodelled factors. The overall regression shows overall significance as the F-stat is greater than 2.5 (32.55).

For the diagnostics test, the insignificant p-value of the BG-LM test shows that there's no higher order autocorrelation in the model while the insignificant p-value of the BPG test suggests that the model is without heteroscedastic residuals. The Ramsey RESET (Regression Error Specification Test) is insignificant (>0.05) which suggests that there is no specification error or misspecification in the model. Also, that the model followed the correct functional form and has no redundant variables.

In looking at the individual parameters, the fatality rate positively and significantly affects youth unemployment in Nigeria. This explains that a high fatality rate triggers a decrease in the working-age population, resulting in a shortage of skilled and experienced workers. This shortage may prompt employers to hire less skilled or experienced workers, potentially increasing youth unemployment (Adejoke & Bakare, 2023)

Youth unemployment was found to be a positive and significant function of conflict frequency in Nigeria. This can be easily attributed to the fact that conflict can disrupt economic activities, destroy infrastructure, and discourage investment, ultimately leading to a decline in job opportunities and an increase in unemployment among young people.

Lastly, it was shown that Population of internally displaced persons (IDPs) does not positively and significantly affect youth unemployment in Nigeria. One possible explanation for this finding is that IDPs may not necessarily contribute to youth unemployment in Nigeria. While IDPs may face significant challenges in accessing education and job opportunities, they may also possess skills and experiences that are valuable in the labor market. This thought is corroborated by the findings of (Adeniran & Bello, 2023) who investigated the impact of IDP

populations on youth unemployment in Nigeria's southwestern states. This study noted that though some IDPs contributed to local economies through trade and entrepreneurship, the contribution is not significant enough to affect youth unemployment.

5. Conclusion and Policy Implications

There is scarce literature on Impact of armed conflict on youth unemployment in Nigeria. Most studies reviewed concentrated effects of insurgency of youth unemployment in northern Nigeria which sparked the motivation for this research work. The data set covers the years 2003 through 2023 and was sourced from the world development indicator. The study reveals fatality rate and conflict frequency positively and significantly impact on youth unemployment in Nigeria while the population of internally displace persons negatively and insignificantly impact on youth unemployment in Nigeria.

The research is expected to stimulate interest not only in Nigeria's but across other West African countries suffering conflicts. The research advises implementing policies to reduce fatality rates, such as improving healthcare infrastructure and access to medical care. Similarly, it advises investing in education and job training programs to equip young people with skills and knowledge to access employment opportunities. To stem the tide of frequency of conflicts and its impact on youth unemployment, the research recommends developing and implementing effective conflict resolution and prevention strategies to reduce conflict frequency. Lastly, the research recommends Providing support for IDPs and young people affected by conflict, such as counseling, vocational training, and entrepreneurship support.

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