

Contributions of Rural Women Entrepreneurs in Non-Farm and Off-Farm Enterprises of Households Poverty Reduction in Abia State

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Abstract

*The study assessed the contributions of rural women entrepreneurs in non-farm and off-farm enterprises to household poverty reduction in Abia State, Nigeria. The specific objectives were to: examine the socio-economic characteristics of the respondents, identify the non-farm and off-farm activities, ascertain the extent of contribution, and determine the contribution of income from non-farm and off-farm activities to poverty reduction respectively. A sample size of 180 respondents selected via multi stage sampling technique was used. Data generated via the use of questionnaire and were analyzed using both descriptive and inferential statistics respectively. Results showed a mean age of 46 years, 66.7 % were married, 93.8 % were literates with a mean monthly income of ₦23,444.00 and a mean household size of 5 persons respectively. Farm-gate trading (38.9 %), agro-processing (16.7 %), general merchandise (11.1%), restaurants/ bars (16.7 %), civil servants (4.4 %), and others (5.6 %) were identified as non-farm and off-farm enterprises. Income from non-farm and off-farm enterprises contributed to a very high extent and high extent ($X = 4.7$, and 4.5) and ($X = 4.4$, 3.8 and 3.7) in household health care and feeding respectively and improved housing, children's education and clothing respectively. It further contributed moderately ($X = 3.3$), ($X = 2.7$), ($X = 2.6$) and ($X = 3.0$) in personal savings, social obligations, extended family responsibility and investment into agriculture respectively. Restaurant/bar (₦708.00/day), general merchandise (₦618.00/day), agro-processing (₦596.00/day), civil servants (₦557.00/day), and teaching/pasturing (₦535.00/day), among others contributed to poverty reduction in the study area. The Tobit result showed that age ($X_1 = 9.07^{***}$), household size ($X_4 = 4.064^{***}$) education ($X_3 = 7.029^{***}$) and income ($X_6 = 5.202^{***}$) respectively, significantly influenced contribution to household welfare. Business experience ($X_5 = 2.02^{**}$)*

significantly influenced contribution to household welfare. The study recommends that Extension Agents should encourage rural women to form co-operatives which will enable them obtain loans from financial firms, this will increase their investment abilities into non- farm and off- farm ventures which supplement income from farming thereby reducing poverty mostly in the study area.

Key words: women entrepreneurs, poverty reduction, non- farm and off- farm enterprises

Introduction

Non-farm and off-farm activities play important role in providing supplementary employment to small and marginal farm households thereby reducing income inequalities and poverty among rural households (Haggblade *et al.*, 2007). Similarly, Reardon *et al.*, (2007) reported that income from rural non- farm enterprises greatly exceeded the value of farm wage income mostly in Sub – Saharan Africa. Reliance on agriculture tends to diminish continuously due to population growth, lack of credit facilities to poor rural farmers, coupled with high cost of agro- inputs and high cost of production. Kwon, Orazem and Otto (2006) equally, reported inadequacy of farm income and high incidence of poverty among small – scale farmers. Saliu and Adedayo (2010) supported the view as they reported that vast majority of rural families in Nigeria who are basically farmers but could not meet the global challenges in the quest to ameliorate rural poverty. Therefore, resorted to diversify into non- farm income generating services as coping strategy. Haggblade *et al.*, (2007) equally, noted that non- farm activities were positively associated with income and wealth creation in rural areas that were seen to offer a pathway out of poverty. On the same note, Olanipekun and Kuponiyi (2010) observed that non- farm income generating enterprises have been identified to have positive correlation with financial saving, social contacts, education and local capacity building opportunities among the rural poor in Africa. On that note, Haggblade *et al.*, (2007) described rural non- farm enterprises to include all economic activities in rural areas except agriculture, livestock, fishing and hunting. Similarly, Obinna (2014) described off- farm activities to constitute of all the income generating activities that a farmer embarks on in addition to farming. Therefore, off- farm activities contribute to household food security by providing cash for food and other household purchases and equally, in agricultural assets acquisition. Babatunde *et al* (2010) also, reported that off- farm activities were risks minimizing strategies that safeguarded farmers against crop and market failures. It has been asserted that about 70 % of Nigerian's poor live in rural areas and are largely dependent on agriculture or agriculture related activities for livelihood (Ekong, 2010). It has been equally observed that about 60 – 80 % of the workload in agriculture was undertaken by women, coupled with 80 – 90 % of their time spent on household chores such as fetching water, firewood, taking care of the young, elderly and sick members of the household among others (Ekong, 2010). On the same note, Saliu and Adedayo (2010) reported that vast majority of rural households in Nigeria mostly female headed households are basically farmers who could not meet the basic household needs in order to ameliorate rural poverty and ensure household food security. Therefore, most of them try to diversify into non –

farm and off – farm income generating services as coping strategy. On the other hand, Streeten (1979) defined poverty as being unable to meet “basic needs”. Basic needs refer to the physical (food, health care, education, shelter, among others) and non- physical requirements of meaningful “life”. It was based on that note, that The World Bank (1996) defined poverty as the inability to attain a minimum standard of living, measured in terms of basic consumption needs or the basic income to satisfy such needs. The expenditure (\$2.25 per a day as of 2005) necessary to attain this minimal standard is the basis used to define the poverty line. It was in the light of the above that the study sought to assess the contribution of rural- women entrepreneurs in non- farm and off- farm enterprises to household poverty reduction in Abia State. The study was guided by the following specific objectives, which included to:

- (i) describe the socio – economic characteristics of the respondents;
- (ii) identify the non – farm and off – farm activities engaged upon by the respondents;
- (iii) ascertain the extent of contribution to household welfare from non- farm and off- farm activities of the respondents;
- (iv) determine the contribution of non- farm and off- farm income to poverty reduction in the study area.

HO₁: There is no significant relationship between selected socio – economic characteristics of the respondents and their level of contribution to household welfare in the study area.

Methodology

The study was conducted in Abia State. The State is located within Latitude 40 – 70° N and Longitude 7 – 8°E (NRCRI, 1990). It has a total landmass of about 5833.77KM² with a population of 2,833.99 out of which 1,434,193 were males and 1,399,806 females with a population density of 486 persons/ Km² (NPC, 2007). About, 49.3 % Abians were actively employed out of which 42.6 % were in agriculture or agriculture related, and 62.3 % dwelled in the rural areas (Ekong, 2010). A multi- stage sampling technique was adopted in generating a sample size of 180 respondents used for the study. Firstly, Abia State was stratified into the three major Agricultural Zones, namely: Ohafia, Umuahia and Aba Agricultural Zones respectively. Secondly, 4 Agricultural Blocks were randomly selected from each of the 3 Agricultural Zones to give 12 Agricultural Blocks. Thirdly, 3 Agricultural Circles were randomly selected from each of the 12 Agricultural Blocks to give a total of 36 Agricultural Circles. Fourthly, 5 respondents were randomly selected from each of the 36 Agricultural Circles with the assistance of the Extension Agents (EAs) to give a total of 180 respondents. Primary data were generated via the use of structured questionnaire and scheduled interviews. Data generated were analyzed through the use of descriptive and inferential statistics, which included frequency count, percentages, means, pooled means and Tobit regression analysis respectively.

The Tobit model is expressed as follows:

$$P_i = X_i \beta + e_i \text{ if } P_i > P_i^* \\ 0 = X_i \beta + e_i \text{ if } P_i \leq P_i^* \\ i= 1,2,3,\dots\dots\dots 6 \dots\dots (3.1)$$

Where P_i is the dependent variable.

P_i = contribution to household welfare

X_i = is a vector of explanatory variable, β is a vector of unknown coefficient and e_i is an independently distributed error term.

The explanatory variables specified as determinants of household welfare contribution were:

X_1 = Age (in years)

X_2 = Marital status (D = 1 if married, 0 if otherwise)

X_3 = Education (years of schooling)

X_4 = Household Size (number of persons)

X_5 = Business Experience (in years)

X_6 = Monthly income (in Naira)

Results and Discussion

Socio – Economic Characteristics

The socio economic characteristics of the respondents are as presented in Table 1. Table 1 shows the mean age of the respondents as about 46 years and about 66.7% married, 11.1 % single, 2.8 % widowed and 8.3 % divorced / separated respectively. Table 1 equally, shows that about 93.8 % of the respondents were literates and 50 % were primary education completed with a mean household size of about 5 persons and 18 years of mean years of business experience. Table 1 also shows ₦23,444.44 as a mean monthly income to the respondents. The implication of the finding is that with a mean age of about 46 years of the respondents, confirms the fact that the women were still young and with a high proportion (66.7 %) being married with a mean household size of about 5 persons indicates that the women were diversifying into other sources of livelihood other than farming in order to supplement the meagre resources from farming. This corroborates Olanipekun and Kuponiyi (2010) who asserted that vast majority of rural families in Nigeria are basically practicing farmers who cannot meet their needs therefore, they diversify into non – farm income generating activities as coping strategy.

Table 1: Socio – economic characteristics of respondents

Variables	Percentage (%) n = 120
Age in Years	
20 - 30	11.11
31 - 40	22.22
41 - 50	27.77
51 - 60	25.00
≥ 61	13.89
Mean	45.6 years
Marital Status	
Married	66.67
Single	11.11
Widowed	2.77
Divorced/ Separated	8.33
Educational Level	
No formal Education	5.56
Completed Primary Sch.	50.00
Completed Sec. Sch.	35.56
Tertiary Education	8.33
Household Size no Persons	
≤ 2	5.56
3 - 4	22.22
5 - 6	38.89
7 & Above	33.33
Mean = 5 persons	
Years of Business Experience	
≤ 10	33.33
11 - 20	27.77
21 - 30	16.67
31 & Above	22.22
Mean = 18 years	
Monthly income in Naira	
≤ 15,000.00	33.33
16,000.00 - 26,000.00	38.89
27,000.00 - 37,000.00	16.67
38,000.00 - 48,000.00	08.33
49,000.00 & Above	2.77
Mean = ₦23,444.44	

Source: Field Survey 2016.

Types of non–farm and off–farm activities engaged into by the women entrepreneurs

Types of non–farm and off–farm activities engaged into by the women entrepreneurs in the study area as presented in Table 2. Table2 shows that farm gate/ petty trading (38.9 %), agro- processing and restaurants/ bar dealers (16.7 %) respectively constituted about 72.23 % of the non – farm and off- farm activities that the rural

women entrepreneurs engaged into in the study area. Others included: general merchandise trading (11.1 %), cloth weaving / tailoring (2.8 %), teaching /pastoring (1.7 %), traditional midwives / healers (2.2%), civil – servants (4.4 %) and other enterprises (5.6 %) respectively. The implication of the finding is that a very high proportion (72.2 %) of the rural women entrepreneurs were involved in mostly agricultural related non- farm and off- farm activities. This corroborates Ekong (2010) who observed that about half (50 %) of the actively employed Abians dwelling in the rural areas were either involved in agriculture or agricultural related activities.

Table 2: Types of non – farm and off- farm enterprises

Types of off- farm activities and non- farm	Percentage (%)
Off- farm Activities	
Farm – gate / petty traders	38.89
Agro – processors	16.67
Non- farm activities	
General Merchandise traders	11.11
Restaurants / Bar dealers	16.67
Cloth weaving / Tailoring	2.77
Teaching / Pastoring	1.66
Traditional midwives/ healers	2.22
Civil – servants	4.44
Other enterprises	5.56

Source: Field Survey 2016.

Extent of Contribution to Household Welfare from the Non–Farm and Off-Farm Activities

The extent of contribution to household welfare from the non – farm and off-farm activities by the respondents is as presented in table 3. Table 3 shows that the respondents contributed to a very high extent ($X= 4.5$) and ($X= 4.7$) to household feeding and health care respectively from non- farm and off- farm income. They equally contributed to high extent ($X= 3.8$), ($X= 3.7$) and ($X= 4.4$) in improved housing, children’s education and purchase of clothing respectively. Table 3 further shows that the respondents contributed to a moderate extent to personal savings, social obligations, extended family responsibility and investment into agriculture respectively from non- farm and off- farm income. The implication of the finding is that the rural women entrepreneurs spent between 80 and 100% of their income from non – farm and off- farm activities in household feeding and healthcare. This corroborates Obinna (2014) who observed that women channel more of their earnings towards household consumption than their male counterparts who use theirs for building of houses, buying of cars among other things.

Table 3: Contribution of non- farm and off- farm income to household welfare

Household Welfare	Mean
Household feeding	4.5
Household Healthcare	4.7
Improved Housing	3.8
Children's Education	3.7
Purchase of Clothing	4.4
Personal Savings	3.3
Social Obligations	2.7
Extended Family Responsibility	2.6
Investment into Agriculture	3.0

Source: Field Survey 2016

Contribution of Non- Farm and Off- Farm Income to Poverty Reduction

The distribution of the respondents according to the contribution of non- farm and off- farm income to poverty reduction is as presented in Table 4. The exchange rate between Nigerian Naira and the American Dollar as at the time of the study was ₦500.00 to one American Dollar. Therefore, according to World Bank (2008) which gave the revised figure of 1.25 US Dollar per a day as income as at 2005 purchasing power parity as the poverty line. Therefore, this is taken as the baseline in order to determine how much the women entrepreneurs contributed to poverty reduction in the households in the study area. Table 4 shows that the rural women entrepreneurs who dealt on petty farm gate trading contributed ₦460.00 per day to household upkeep, agro- processors contributed ₦596.00 per a day, general merchandise contributed ₦618.00, restaurants & bar dealers contributed ₦708.00, cloth weaving and tailoring contributed ₦542.00, teaching / pastoring contributed ₦535.00, traditional midwives/ healers contributed ₦487.00, civil servants contributed ₦557.00 and others contributed ₦422.00 respectively. The findings show that the rural women entrepreneurs contributed substantially to household poverty reduction.

Table 4: Contribution of non- farm and off- farm income to poverty reduction in the study area

Income from non-farm & off-farm activities In naira	F/G/T	A/P	G/M	R/B	C/W	T/P	T/M	C/S	O
≤ 10,000	70	40	40	20	60	50	30	50	80
11,000.00 – 20,000.00	60	40	50	40	40	60	70	40	60
21,000.00 – 30,000.00	30	30	40	60	50	30	20	20	30
31,000.00 – 40,000.00	20	40	30	30	20	40	10	20	10
41,000.00 – 50,000.00	-	20	20	30	10	-	-	20	-
51,000.00 & Above	-	-	-	-	-	-	-	10	-
Mean Income in Naira	17,250=	22,861=	23,167=	26,556=	20,333=	20,083=	15,278=	20,889=	15,833=
Daily Income/30	575=	745=	772=	885=	677=	669=	609=	696=	528=
Poverty reduction contribution in ₦/ day	₦460.=	₦596=	₦618=	₦708=	₦542=	₦535=	₦487=	₦557=	₦422=

Source: Field Survey 2016.

NB= F/G/T= Farm – gate trading, A/P = Agro- processors, G/M = General merchandise, R/B = Restaurants/ bars, C/W = Cloth weaving/ tailoring, T/P = Teaching/ Pastoring, T/M = Traditional Midwives/ healers, C/S = Civil Servants, and O = Others.

Factors Influencing the Contribution of Women to Household Welfare

Table 5 shows that age ($X_1= 9.079^{***}$), household size ($X_4= 4.064^{***}$), education ($X_3= 7.029^{***}$) and income ($X_6= 5.202^{***}$) respectively significantly influenced women contribution to household welfare positively at 1 % alpha level. Table 5 equally, shows that years of business experience ($X_5= 2.398^{**}$) significantly influenced women contribution to house hold welfare at 5 % alpha level, while marital status ($X_2= 0.896$) had no significant influence over women contribution to household welfare in the study area at $R^2 = 56.9\%$. The implication of the finding is that H_{01} which stated that there is no significant relationship between some selected socio economic characteristics of the respondents and their contribution to household welfare is hereby rejected and the alternative accepted.

Table 5: Socio- economic variables that influence the contribution of the women entrepreneurs to household welfare.

Parameter	Estimate	Std. Error	t– value
Sex	-.005	.171	-.030
Age	.009	.010	9.079***
Marital	.156	.174	.896
Household	.002	.030	4.064***
Education	.017	.016	7.029***
Business experience	.006	.016	2.398**
Income	2.387	.459	5.202***
Chi – square	71.577***		
Log likelihood	34.8879		
Pseudo R ²	0.5687		

****P≤ 5%, *** P≤ 0.01**
Field Survey, 2016

Conclusion and Recommendations

Different non- farm and off- farm enterprises engaged into by the rural women entrepreneurs greatly reduced poverty by supplementing the meager income from subsistent farming in the study area. Rural women should be encouraged to form cooperatives that will enable them access loans from banks. All stakeholders in rural and community development should educate the women of the importance of diversifying their source of livelihood instead of depending solely on peasant farming that does not break even in terms of returns. Government should emphasize capacity building of rural women in other ventures including agriculture.

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