

GENDER ANALYSIS OF PROBLEMS AND PROSPECTS OF RURAL HOUSEHOLD-BASED ENTERPRISES IN OSUN STATE, NIGERIA

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Abstract

The study investigated the basic problems confronting the growth of non-farm household-based enterprises among male and female rural entrepreneurs in Osun state, Nigeria and examined the potential prospects of these enterprises to the development of rural economy. Snow ball sampling procedure was employed to select 100 male and 100 female entrepreneurs for the study from four LGAs of the state. Data were described with frequency counts, percentages, means and standard deviation while ANOVA was used for inferential purpose. The results show that 55% and 59% of male and female respectively engaged in processing of agricultural produce. The mean ages for male and female entrepreneurs were 44.47 and 45.92 years respectively; the mean household sizes were 6 and 5 persons while the mean monthly net income was ₦16, 878 and ₦17,638 for male and female respectively. Identified constraints included shortage of capital (mean=2.36; 2.53), inadequate managerial skill (mean=1.67; 1.83), increasing demand for imported goods (mean=1.62; 1.50) while potential prospects include; serving as income source during agricultural off seasons (mean=4.67; 4.78), employment generation (mean=4.67; 4.78) and poverty alleviation (mean=4.40; 4.34) for male and female respectively. ANOVA showed that there was no significant difference in the constraints faced by male and female entrepreneurs and no significant difference in the prospects of the enterprises among male and female respondents. Based on the findings, the study concluded that despite the fact that these enterprises were faced with multiple challenges, they hold great prospects for economic transformation of both male and female entrepreneurs. Opportunities for the growth of these enterprises exist in employing strategies like strong linkage of the entrepreneurs to financial institutions, low interest rate, public re-orientation for indigenous products, provision of adequate infrastructural facilities and entrepreneurial education for skill acquisition. It therefore recommended a holistic intervention of all relevant institutions including finance, education and the government to assist these small business owners to scale up their operation from the subsistence level, thereby enhancing rural entrepreneurship development.

Key words: entrepreneurs, gender, non-farm enterprises, problems, prospects, rural

INTRODUCTION

Agriculture has been the most important sector in the Nigerian economy next to petroleum. It employs about 70% of the workforce and accounts for about 40% of Gross Domestic Product, [5]; [14]. Unfortunately, the job-generating capacity of the sector has been hampered by a number of factors including small size of landholdings, inadequate labour, limited agricultural innovation dissemination, inadequate rural infrastructural facilities and climate change. The sector therefore could no longer create adequate employment opportunities for the rural population and as a result, small holder farmers now look for alternative opportunities

in order to increase and stabilize their incomes [6]. Gradually, the rural economy is transforming from being solely agricultural based to a diversify array of activities and enterprises [6]; [3]. Recent findings revealed that farming alone is unable to generate sufficient income to cater for the entire needs of rural households [7];[8]. [10] estimated that rural non-farm work provides 20-45 per cent of full time employment in rural areas and 30-50 per cent of rural household income. Diversification of income sources is becoming an important means of improving rural household income and cushioning the effects of the risk associated with environmental and climatic changes. It equally helps to ease the adverse effects caused by changes in

government policies and market related problems such as price instability, input prices increase among others. Diversification into non-farm activities has recorded a tremendous increase in importance in many developing countries including Nigeria in the past two decades with the share in the total household income ranging from 30% and 50% [2]. [4];[11] observed that farming households in Northern Nigeria often pursue more than one, sometimes several, different non-agricultural activities simultaneously or at different times throughout the year. [2] found that 94.4% of the households in South-western Nigeria derived their income sources from diversified range of livelihood activities with non-farm activities accounting for 67.1% of the total income.

[12] defined household enterprise as the first unit of micro-entrepreneurship, the family firm or the non-farm business that could potentially grow into a small or medium enterprise. These enterprises have the potentials to reverse rural-urban migration, promote indigenous entrepreneurship, enhance household food security and poverty alleviation as well as serving as a hub for rural industrial transformation.

Previous studies have shown that both gender participate in non-farm rural household based enterprises and that these enterprises are faced with several constraints. However, it is evident from literature that gender disaggregation of these problems and the potential prospects of these enterprises have not been adequately investigated in the study area. This study was conceived to identify specific problems facing each gender involving in rural household-based enterprises as well as to isolate the potential prospects of these enterprises with a view to recommend appropriate policy that will proffer adequate intervention that will enhance the growth of these enterprises and consequently, the rural economy.

Objectives of the study

The main objective of the study is to analyze the differences in the problems and prospects of non-farm rural household enterprises managed by male and female genders. The specific objectives are:

(i) to describe the demographic characteristics of male and female operators of non-farm rural household based enterprises in the study area;

(ii) to identify the types of enterprise they engage in; and

(iii) to identify the problems facing male and female entrepreneurs as well as the prospects of these enterprises.

Hypotheses of the study

(i) There is no significant difference in the constraints faced by male and female entrepreneurs in their business venture.

(ii) There is no significant difference in the prospects of enterprises operated by male and female entrepreneurs.

MATERIALS AND METHODS

The study was conducted in Osun State. A multistage sampling procedure was used to select the respondents. Four out of the six administrative zones in the State were randomly selected at the first stage while one Local Government Area (LGA) was randomly selected from each of the selected zones at the second stage. 12 communities were proportionately sampled from the four selected LGAs at the third stage and a total of 100 male and 100 female respondents were selected at the final stage using snowball technique. Structured interview schedule was employed to elicit data from respondents on their demographic characteristics, types of enterprise they engaged in, their perceived expected roles of government, problems faced by male and female entrepreneurs and their perceived prospects of rural household enterprises. Constraints were measured using 4 points Likert-like scale: very severe (3), severe (2), less severe (1) and not severe (0). The Maximum score was 60 while minimum was 0. Prospect was also measured using 4 points Likert-like scale. High potential (3), moderate potential (2), low potential (1) and no potential (0). The Maximum score was 39 while minimum was zero.

Data collected were analyzed using descriptive statistical technique like frequency counts, percentages, means and standard deviation while Analysis of variance was used

to test the hypotheses.

RESULTS AND DISCUSSIONS

Demographic characteristics of the respondents.

Table 1 shows that majority (83% and 80%) of male and female respondents respectively were within the age bracket of 31-60 years

while the mean ages were 44.47 years and 45.92 years respectively.

This could imply that the younger generations were less disposed to establishing small enterprises that may not offer quick return on investment; rather, they may prefer migrating to the urban centres in search of white collar jobs that are not readily available.

Table 1. Distribution of respondents by their demographic characteristics (n = 100 male, 100 female)Source: Field survey, 2016

Variables	Male			Female		
	%	Mean	Std. Deviation	%	Mean	Std. Deviation
Age (years)						
≥ 30	9	44.47	10.46	7	45.92	10.23
31-60	83			80		
≤ 60	8			13		
Marital status						
Single						
Married	85			77		
Divorced	3			4		
Separated	3			3		
Widowed	4					
Level of education						
Not beyond primary school	59			76		
Above primary school	41			24		
Household size						
1-5	16			24		
6-10	77	6.16	2.42	76	5.46	1.12
Above 10	7					
Monthly Income (₦)						
≤ 20,000	70			74		
21,000- 40,000	21	17,638.95	12,702.79	19	16,879.00	15,822.84
≥40,0000	9			7		
Experience (years)						
≤ 20	42			52		
21- 40	38	6.30	5.18	26	4.71	4.39
≥ 40	20			22		
Types of enterprise						
Artisans in bricklaying, carpentry, tailoring & timber work	29			20		
Trading	12			14		
School services	4			7		
Processing of cassava, oil palm, maize, locust beans & soybean	55			59		

The finding agrees with [1] that 60.53% of entrepreneurs in Oyo State were between age 46 and 60 years. Majority (85% and 77%) of male and female respectively were married. Generally, married people have more responsibilities which often necessitate

diversification of economic activities. Also, 59 and 76 percent of male and female did not go beyond primary education. The disparity between male and female level of education might be an indication of prejudice against female education. However, the level of

education for majority of both genders was very low which could limit their enlightenment on better handling of their enterprises. The average household size was 6 and 5 persons for male and female respectively. Household size could determine involvement in rural non-farm enterprises. The finding is in line with [9], which reported that larger households in rural areas have greater involvement in non-farm activities to cater for their household responsibilities especially during the agricultural off seasons.

For male and female respondents, the mean monthly income was ₦ 17,638.95 and ₦ 16,879.00 respectively while the mean years of experience was 6.30 years and 4.71 years respectively. The mean income for both genders was below the minimum wage of ₦ 18,100.00 per month for the least paid Nigerian worker; implying the need for scaling up the income potentials of these enterprises to make them more attractive to the unemployed rural populace particularly the youth, thereby

minimize rural-urban migration.

Results in Table 1 shows further that above average (55% and 59%) of male and female respondents respectively, engaged in processing of agricultural produce like cassava, oil palm, maize, locust beans and soybean processing; followed by artisanship such as bricklaying, timber work, carpentry and tailoring (29%; 20%). The finding agrees with [13], who observed that for Africa as a whole, processing activities form the second largest rural industry next to agriculture. It implies that processing enterprises should be the main focus of any concerned government, non-governmental organizations, donor agencies or planners of rural agro industrial transformation in the study area.

Problems facing rural entrepreneurs

Respondents were asked to indicate as many constraints as they perceived that hindered the growth of rural entrepreneurship in the study area. The mean score in descending order of severity were used to identify constraints.

Table 2. Distribution of respondents by types of constraints facing rural entrepreneurship, n=100 male, 100 female

Constrains	Male		Female	
	Mean	Ranked	Mean	Ranked
Shortage of working capital	2.36	1 st	2.53	1 st
Community obligations such as contributing time and money to community service	1.67	2 nd	1.83	2 nd
Role conflict between family and business	1.62	3 rd	1.50	9 th
Inadequate managerial skill	1.60	4 th	1.41	12 th
Lack of access to training on the job	1.59	5 th	1.59	7 th
Excessive interest charged on borrowed money	1.58	6 th	1.70	4 th
Demolition of stalls by govt. officials	1.52	7 th	1.64	5 th
Increasing demand for manufactured goods among people in the locality	1.51	8 th	1.54	8 th
Harassment by law enforcement agencies	1.51	8 th	1.63	6 th
Poor infrastructural facilities	1.49	10 th	1.76	3 rd
Inadequate availability of raw materials	1.45	11 th	1.29	14 th
Debt losses	1.42	12 th	1.42	11 th
Limited access to extension services	1.41	13 th	1.37	13 th
Competition from government industries	1.39	14 th	1.44	10 th
Inadequate sales	1.21	15 th	1.07	15 th
Limited access to land	1.20	16 th	1.02	17 th
Inadequate record keeping culture	1.11	17 th	1.01	18 th
High cost of labour saving equipment	0.94	18 th	0.85	19 th
Poor business location	0.80	19 th	1.03	16 th
Limited access to quality labour	0.60	20 th	0.43	20 th
Grand mean score	1.39		1.40	

Source: Field survey, 2016

Results in Table 2 shows that when the grand mean scores of 1.39 and 1.40 for male and female respondents respectively are compared

with individual mean scores, challenges such as shortage of working capital (mean= 2.36; 2.53) has the highest level of severity, This

was followed by community obligations such as contributing time and money to community service (mean= 1.67; 1.83). Others include role conflict between family and the business (mean= 1.62; 1.50), inadequate managerial skill (mean= 1.60; 1.41), lack of access to training on the job (mean= 1.59; 1.59), excessive interest charged on borrowed money (mean= 1.58; 1.70), demolition of stalls by government officials (mean= 1.52; 1.64), increasing demand for imported goods among people in the locality (mean= 1.51; 1.54), harassment by law enforcement agencies (mean= 1.51; 1.63) and poor infrastructural facilities (mean=1.49;176) were considered to be the most severe problems facing the growth of these enterprises.

The finding implies that major problems facing the growth of rural non-farm enterprises were mostly institutional and community-related. For instance, shortage of working capital and excessive interest charged on borrowed money could be traced to financial institution; poor infrastructural facilities and harassment by law enforcement agencies were government-related while community obligations such as contributing time and money to community service and increasing demand for imported goods among people in the locality were community-related. It therefore shows that the commitment of these institutions is paramount

to overcoming the identified inadequacies and consequently enhancing rural entrepreneurship development in the area.

Prospects of non- farm household-based enterprises

Respondents were asked to indicate as many prospects as they perceived that non-farm household-based enterprises could bring to rural households if well developed. The mean score in descending order of potential were used to identify prospect.

Table 3 shows that with the grand mean scores of 3.92 and 4.01 for male and female respondents respectively. Prospects of non-farm household enterprises as mostly perceived by both male and female respondents include income potentials during agricultural off seasons (mean=4.67; 4.78), employment generation (mean= 4.67; 4.78), poverty alleviation (mean=4.40; 4.38), promoting indigenous entrepreneurship (mean=4.39; 4.75), preventing rural urban migration (mean=4.39; 4.65), serving as farm-based households source of savings (mean=4.35; 4.29), assisting farm households to spread risks (mean=4.09; 4.24) and a means of survival when farming fails (mean=3.94; 4.20). The finding implies that development of both primary agriculture and other non-farm rural enterprises should go on simultaneously to enhance overall growth of rural economy.

Table 3. Distribution of respondents by their perceived prospects of rural household enterprises, n=100 male; 100 female

Perceived prospect	Male		Female	
	Mean	Ranked	Mean	Ranked
Income potentials during agricultural off seasons	4.67	1 st	4.78	1 st
Employment generation	4.67	1 st	4.78	1 st
Poverty alleviation	4.40	3 rd	4.38	5 th
Promote indigenous entrepreneurship	4.39	4 th	4.75	2 nd
Prevent rural urban migration	4.39	4 th	4.65	3 rd
Serve as farm-based households source of savings	4.35	6 th	4.29	5 th
Assist farm households to spread risks	4.09	7 th	4.24	6 th
A means of survival when farming fails	3.94	8 th	4.20	7 th
Opportunity of combining work with family welfare	3.83	9 th	3.97	9 th
Utilize valuable but scattered pockets of rural resources	3.83	9 th	3.87	11 th
Introduce vital skills into rural areas	3.74	11 th	3.93	10 th
Promote apprenticeship	3.62	12 th	3.65	12 th
Promote locally produced goods	3.45	13 th	3.44	14 th
Social transformation of the rural areas	3.51	14 th	3.57	13 th
Grand mean score	3.92		4.01	

Source: Field survey, 2016

Hypotheses testing

Data in Tables 4 and 5 show that there was no significant difference in the constraints faced by male and female entrepreneurs as well as in prospects of their enterprises. This implies that rural entrepreneurs irrespective of gender are faced with similar challenges and that rural household enterprises have potential prospects for the rural dwellers economic transformation if adequately focused.

Table 4. Distribution of respondents by analysis of variance of the constraint of male and female n= 100male; 100 female

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.620	1	1.620	.016	0.900
Within Groups	20397.880	198	103.020		
Total	20399.500	199			

Source: Field survey, 2016

Table 5. Distribution of respondents by analysis of variance of the prospects of male and female n= 100male; 100 female

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	6.611	1	6.611	.062	.503
Within Groups	21403.310	198	106.484		
Total	21409.921	199			

Source: Field survey, 2016

CONCLUSIONS

The study concluded that non-farm enterprises hold great prospects for transforming the economic life of both male and female rural dwellers and that opportunities for their growth exist in employing strategies including strong linkage between the entrepreneurs and financial institutions, low interest rate, public re-orientation for indigenous products, provision of adequate infrastructural facilities and entrepreneurial education for skill acquisition of rural entrepreneurs of both genders. The study recommends that since both genders engaging in household-based enterprises are faced with similar constraints and the roles of financial, education and government institutions are germane to the elimination of these constraints, these institutions should work as a team to formulate policies that will assist household-

based entrepreneurs overcoming these prevailing problems and thereby fostering the potentials of rural entrepreneurship. Such policies should focus rural entrepreneurship education, simplifying loan criteria for rural small business owners and improving rural market facilities among others

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