

Socio-economic factors influencing rural women's involvement in informal economic activities in southwest, Nigeria

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ABSTRACT: The study assessed the socio-economic factors influencing rural women's involvement in informal economic activities (IEDS) in southwest, Nigeria. It describes the socio-economic characteristics of the rural women, identify the IEAs rural women involved in, determine the level of involvement of the rural women in IEAs and identify the constraints to the involvement of rural women in IEAs in the study area. A multi-stage sampling procedure was employed to select 120 respondents. Data were collected through structured interview schedule and same were subjected to descriptive statistics such as frequency counts, percentages, mean standard deviation and rank while correlation and chi-square analyses were the inferential tools used. The results show that the mean age of the rural women involved in IEAs was 36.5 years. Majority (87.5%) were married while the mean household size was 5. Also 92.5% of the respondents had formal education and this indicates that the majority could read and write. The mean annual income of the rural women was ₦168,223.99. Some of the major IEAs which rural women involved in fully are: food vending ($\bar{x}=2.2$), petty trading ($\bar{x}=2.00$), hawking ($\bar{x}=1.9$), sales of farm produce ($\bar{x}=1.6$) and sales of fruits alone ($\bar{x}=1.5$). The results of the correlation analysis show that age ($r=0.209$) and household size ($r=0.1412$) had significant relationship with the level of involvement of rural women in IEAs. Furthermore, the results of the chi-square (χ^2) analysis show that religion ($\chi^2=33.750$), marital status ($\chi^2=184.15$), educational status ($\chi^2=500.43$), credit accessibility ($\chi^2=92.951$) and membership of social organization ($\chi^2=249.61$) had significant relationships with the level of involvement of rural women in IEAs. It was recommended that government should provide adequate fund in form of loans through cooperative or social organizations to the rural women to boost their IEAs.

Keywords: Economic activities, informal, involvement, rural women.

INTRODUCTION

In most developing countries rural areas serve as the pillars for economic growth. The rural area is a settlement characterized by infrastructural deficiencies such as; pipe borne water, electricity, hospitals, good road network, industries, modern banking services, commercial/civic centres, recreational facilities with the main occupation as farming. According to the report by National Population Commission (2006), women accounted for 50 percent of

the Nigerian population and out of this population of women, 35 percent of them live and make their incomes in the rural areas.

Furthermore, development of rural areas becomes a major factor in many countries, particularly in Nigeria because they constitute larger portion of a country's land and accommodate the larger percentage of a country's population and so when consider the rural sector, women

population cannot be ignored.

The informal economic activities (IEAs) occupy more women than men, simply because women have been found playing vital roles at homes to support the family and contribute to the economy. Considering what women get in return as earnings and the insecurity of informal economic activities, it is important to note that women's earnings are crucial in mitigating poverty. International Labour Organization (ILO) (2002) defined the informal economy as 'all economic activities by workers and economic units that are-in law or in practice-not covered or insufficiently covered by formal arrangements.

Fajana (2000) sees it as those labour-intensive often times self-employment economic activities which exist side by side with or partly dependent on the modern sector of the urban labour market. What is common in the wide range of information which might be available in the definitions of IEAs is that the operations of the sector are usually in small-scale, that production technique is labour-intensive and the ownership is usually private.

Bertulto (2011) noted in his work that women contribute greatly to their family income, while supporting their husbands and they have been found to represent more than 20 percent of household heads in many developing countries which means that in over 20 percent of the rural families in the developing countries, women have been found to be the sole income earners.

In Nigeria, some regions like southwest have rural areas which are rapidly experiencing gradual development in infrastructure development, such as road network, location of industrial estates, building of social institutions such as schools, market stalls along the major roads etc. in the light of all these developments rural households (particularly women) are harnessing these opportunities to increase the income by involving in one form of IEA or the other.

Despite the involvement of women in Southwest Nigeria in the informal sector, the majority of the women are still living in poverty, hence, the study would provide solutions to the following research questions; viz.

1. What are the socio-economic characteristics of rural women involved in the IEAs in the study area?
2. What are the IEAs which rural women involved in?
3. What is the level of involvement of rural women in IEAs?
4. What are the constraints to the involvement of rural women in IEAs?

Objectives of the study

The main objective of the study is to examine the socio-economic factors influencing rural women's involvement in informal economic activities in southwest, Nigeria. The specific objectives are to;

1. describe the socio-economic characteristics of rural women involved in informal economic activities in the study area;
2. identify the informal economic activities involved in by the rural women in the study area;
3. determine the level of involvement of the rural women in IEAs in the study area; and
4. identify the constraint to the involvement of rural women in IEAs in the study area.

Hypothesis

H₀₁: There is no significant relationship between the socio-economic characteristics of rural women and their involvements in IEAs.

METHODOLOGY

The study was conducted in southwest, Nigeria. Southwest Nigeria is made up of six states viz; Oyo, Osun, Ekiti, Ondo, Ogun and Lagos States. A multi-stage sampling technique was employed to select the sample for the study. At the first stage, three states (i.e. half of the states in southwest, Nigeria) were randomly selected for the study (i.e Ekiti, Oyo and Ogun States). At the second stage, two Local Government Areas (LGAs) were randomly selected from each of the states sampled making a total of six LGAs. At the third stage two communities were randomly selected totaling twelve (12) communities in all. The last stage involved ten (10) rural women from each community purposively selected based on rural women who involved themselves in IAEs. A total of one hundred and twenty rural women were thereby selected for the study. A well structured interview guide was designed to elicit information from the respondents. The data collected were subjected to both descriptive and inferential analysis. Frequency counts, mean and percentages were used to categorize and describe the socio-economic characteristics of the rural women. Likert-type scale, mean and ranking were used to determine the level of involvement of rural women in IEAs. Pearson products moment correlation analysis and chi-square analysis were employed to determine the relationship between socio-economic characteristics of rural women and their involvements in IEAs.

RESULTS AND DISCUSSION

The results in Table 1 showed that majority (86.7%) of the respondents were 50 years and below with the mean age of rural women of 36.5 years and standard deviation of +6.3. Most of these young rural women were actually

Table 1. Respondents' distribution based on selected socio-economic characteristics.

| Social-economic characteristics | Frequency | Percentage | Mean | Sd |
|---------------------------------|-----------|------------|------|------|
| Age | | | | |
| ≤30 | 26 | 21.7 | | |
| 31-40 | 48 | 40.0 | | |
| 41-50 | 30 | 25.0 | 36.5 | ±6.3 |
| 51-60 | 15 | 12.5 | | |
| ≥ 60 | 1 | 0.8 | | |
| Religion | | | | |
| Christianity | 83 | 69.2 | | |
| Islam | 37 | 30.8 | | |
| Marital status | | | | |
| Married | 105 | 87.5 | | |
| Single | 06 | 5.0 | | |
| Divorced | 3 | 2.5 | | |
| Widow/widower | 06 | 5.0 | | |
| Household size | | | | |
| ≤ 5 | 66 | 55.0 | | |
| 6-8 | 48 | 40.0 | 5 | ±2 |
| ≥8 | 06 | 5.0 | | |
| Level of education | | | | |
| No formal education | 21 | 17.5 | | |
| Primary education | 28 | 23.3 | | |
| Secondary education | 48 | 40.0 | | |
| Tertiary education | 23 | 19.2 | | |
| Ethnicity | | | | |
| Yoruba | 101 | 84.2 | | |
| Igbo | 4 | 3.3 | | |
| Hausa | 13 | 10.8 | | |
| Ebira | 01 | 0.8 | | |
| Others (such Tiv, Ighala, etc) | 01 | 0.8 | | |
| Occupation | | | | |
| Farming | 18 | 15.0 | | |
| Fishing | 02 | 1.7 | | |
| Artisan | 38 | 31.7 | | |
| Civil service | 01 | 0.8 | | |
| Petty trading | 61 | 50.8 | | |

involved in Informal Economic Activities (IEAs). The findings agree with the findings of Oduh *et al.* (2011) who submitted that the dominant age in the Nigeria Informal sector accounting for over 50% of the workforce is the 20-40 years' group. The majority (69.2%) of the respondents were Christians while 30.8 percent were Muslims, a large proportion (87.5%) of the respondents were married and this reveals that married women who were Christians

dominated IEAs. More than half (55.0%) of the respondents had up to 5 members in their households while 40.0 percent had between 6 and 8 members in their households with mean household size of 5 and standard deviation of 12. The household size of rural women was relatively high. The finding corroborates that of Adebo and Ajiboye (2014) that majority of the rural households in Southwest Nigeria have a fairly large family size ranging

Table 1. Cont.

| | | | | |
|------------------------------------|----|------|-------------|------------|
| Main sources of credit | | | | |
| Personal | 25 | 20.8 | | |
| Cooperative societies | 33 | 27.5 | | |
| Contributions (monthly weekly) | 21 | 17.5 | | |
| Friends | 22 | 18.3 | | |
| Government aids | 09 | 7.5 | | |
| Annual income (₦) | | | | |
| ≤100,000 | 16 | 13.3 | | |
| 101,000-200,000 | 61 | 50.8 | | |
| 201,000-300,000 | 26 | 21.7 | | |
| 301,000-400,000 | 07 | 5.8 | ₦168,223.99 | ₦82,358.97 |
| 401,000-500,000 | 04 | 3.3 | | |
| ≥500,000 | 06 | 5.0 | | |
| Membership of social organizations | | | | |
| Social group | 38 | 31.7 | | |
| Community development association | 16 | 13.3 | | |
| Religious group | 20 | 16.7 | | |
| Political group | 14 | 20.0 | | |
| Cooperative societies | 32 | 26.7 | | |

from 6-10. This implies that family members could serve as insurance against shortfalls in the labour supply. Majority (82.5%) of the respondents had one form of formal education or the other (i.e from primary education to tertiary education). This revealed that rural women who involved in IEAs in the study area could read and write and this facilitates the effectiveness of these women in IEAs. The results in Table 1 also show that Yoruba (84.2%) dominated different ethnic groups involved in IEAs. The major primary source of income was petty trading as indicated by 50.8 percent of the respondents.

The results reveal that most of the respondents were micro-entrepreneurs, an indication for family support to enhance their wellbeing. Annual income of respondents in Table 1 indicates that the majority (50.8%) earned between ₦101,000-N200,000 while the mean annual income was ₦168,223.99 with a standard deviation of ₦82,358.97. The result reveals that the respondents' annual income was generally low. This implies that majority of the rural dwellers (rural women especially) lack assets and skills, and were unable to invest in high income generating activities, thereby remain poor. It was found that rural women belonged to different social organizations. About 31.7 percent of the respondents belonged to social clubs while 26.7 percent of the respondents were members of cooperative societies. Also, 13.3 percent belonged to community development association and 20.0 percent belonged to political groups. Others group which respondents (16.7%) belonged to was

the religious group. Membership of these rural women in different social organizations could have probably helped to facilitate their accessibility to different resources which will promote their involvements in IEAs.

The results in Table 2 show that more than half (58.3%) of the respondents were fully involved in food vending while only 5.8% of the respondents were partially involved. Food vending had the highest weighted mean score of 2.2 which indicated that food vending was most popular among the rural women. Followed this food vending was petty trading with weighted mean of 2.0 when 36.7 percent and 23.3 percent were fully and partially involved respectively in the activity. Hawking of snacks, drinks, cooked farm produce like cooked maize, yam, roasted yam, maize were also predominant among rural women with 41.7 percent of them fully engaged in it while only 8.3 percent were partially involved in the business. Other IEAs noticed among the rural women were sales of farm produce (25.0%) fully involved, (6.7%) partially involved, sales of fruits alone by 20.8 percent fully involved and 6.7 percent partially involved. About 17.5 percent were fully involved in tailoring while just 1.7 percent were partially involved. Fifteen percent (15%) were artisans and 2.5 percent partially engaged in it. 11.7 and 3.3 percents were fully and partially respectively involved in trading of second hand clothes (Okirika). Sales of bush meat was taking up fully by 7.5% and partially by 0.8 percent of the respondents.

Local hair dressing (Irun didi) and fish frying/drying and

Table 2. Distribution of respondents based on the involvement in informal economic activities.

| Variables | Not Involved | Partially Involved | Fully Involved | Means |
|---|--------------|--------------------|----------------|-------|
| Food vending | 43 (35.8) | 0.7 (5.8) | 70 (58.3) | 2.2 |
| Petty trading | 48 (40.0) | 28(23.3) | 44(36.7) | 2.0 |
| Hawking (drinks, farm produce etc) | 60(50.0) | 10(8.3) | 50(41.7) | 1.9 |
| Sales of farm produce (processing and sales of locus beans) | 82(68.3) | 08(6.7) | 30 (25.0) | 1.6 |
| Sales of fruits alone | 87(72.5) | 08(6.7) | 25(20.8) | 1.5 |
| Tailoring | 97(80.8) | 02(1.7) | 21(17.5) | 1.4 |
| Artisan/craft works | 99(82.5) | 03(2.5) | 18(15.0) | 1.3 |
| Trading in second fairly hand clothes (okirika) | 102(85.0) | 04(3.3) | 14(11.7) | 1.3 |
| Bush meats' sales | 110(91.7) | 01(0.8) | 09(7.5) | 1.2 |
| Fish frying/drying and sales | 107 (89.2) | -(0.0) | 13(10.8) | 1.2 |
| Farm produce processing | 95(79.2) | 10(8.3) | 31(25.8) | 1.1 |
| Soap making and sales | 111(92.5) | 02(1.7) | 07(5.8) | 1.1 |
| Sales of charcoal | 112 (93.3) | -(0.0) | 08 (6.7) | 1.1 |
| Local hair dressing (onidiri) | 107 (89.2) | -(0.0) | 13 (10.8) | 1.2 |

Table 3. Level of involvement in informal economic activities.

| Variables | Mean (\bar{x}) |
|--|--------------------|
| Food vending | 2.2*** |
| Petty trading | 2.0*** |
| Hawking (drinks, farm produce etc) | 1.9*** |
| Sales of farm produce (e.g processing and sale of locus beans) | 1.6*** |
| Tailoring | 1.4** |
| Artisan/craft works | 1.3** |
| Trading in second hand clothes | 1.3** |
| Bush meats sales | 1.2** |
| Local hairdressing (onidiri) | 1.2** |
| Fish frying/drying for sales | 1.2** |
| Farm produce processing | 1.1* |
| Soap making and sales | 1.1* |
| Sales of charcoal | 1.1* |

High level ≥ 1.8 ; Moderate level: 1.2-1.74; Low level ≤ 1.1 ; Overall mean score $\bar{x} = 1.4$; standard deviation = 0.4 (Sources: field survey 2022).

sales were fully taking up by 10.8 percents of the respondents. Few rural women were involved fully in farm produce processing (25.8%), soap making and sales (5.8%) and sales of charcoal (6.7%). These findings corroborate Onwe (2013) that majority of the informal economic activities workers in Nigeria are into non-manufacturing activities such as trading, saloons, restaurants etc.

The results in Table 3 show the levels of involvement of rural women in IEAs. The rural women were highly involved in food vending ($\bar{x}=2.2$), petty trading like bread, biscuits, detergents, sweet, blades etc with the weighted mean of 2.0 and hawking of drinks, cooked maize, walnuts,

roasted yam, corn etc with the weighted mean of 1.9. They (rural women) were moderately involved in the following IEAs; sales of farm produce ($\bar{x}=1.6$), sales of fruits alone ($\bar{x}=1.5$), tailoring ($\bar{x}=1.4$), artisans and craft works ($\bar{x}=1.3$), trading in second hand clothes (okirika) ($\bar{x}=1.3$), sales of bush meats ($\bar{x}=1.2$), local hair dressing (irun didi) ($\bar{x}=1.2$), fish frying/drying and sales ($\bar{x}=1.2$). It was found that rural women were involved at low level in farm produce processing (Garri, Yam flour, Cassava Flour etc) with mean score of 1.1, others were soap making and marketing ($\bar{x}=1.1$) and sales of charcoal ($\bar{x}=1.1$).

The results in Table 4 shows the major challenges to the involvement of rural women in IEAs. Poor storage facilities

Table 4. Mean distribution of respondents according to major constraints or rural women's involvement in informal economic activities.

| Constraints | Mean (\bar{x}) | SD | Rank |
|---|--------------------|------|-----------------|
| Limited fund | 2.72 | 0.14 | 2 nd |
| Poor storage facilities | 2.76 | 0.21 | 1 st |
| Seasonality of some economic activities | 2.33 | 0.19 | 5 th |
| Strong market competition | 2.55 | 0.13 | 4 th |
| No permanent sales points | 2.68 | 0.24 | 3 rd |

Source: field survey, 2002.

Table 5. Correlation analysis results of relationship between the characteristics and rural women's involvement in IEAs.

| Variables | Correlation coefficient(r) | P-value | Decision |
|----------------|----------------------------|---------|-----------------|
| Age | 0.209** | 0.001 | Significant |
| Household size | -0.142*** | 0.028 | Significant |
| Annual income | -0.106 *** | 0.100 | Not significant |

Significant at $p \leq 0.05$; Significant at $p \geq 0.01$ (Source: field survey, 2022).

Table 6. Chi-square results showing the relationship between the socio-economic characteristics of rural women and their involvement in IEAs.

| Variables | Chi-square χ^2 | Df value | P value | Decision |
|-----------------------------------|---------------------|----------|---------|----------|
| Religion | 33.750 | 2 | 0.00 | 3 |
| Marital status | 184.15 | 3 | 0.00 | 5 |
| Education status | 500.43 | 3 | 0.06 | 5 |
| Credit access | 92.951 | 5 | 0.12 | 5 |
| Membership of social organization | 249.61 | 4 | 0.16 | 5 |

Significant at $p \leq 0.05$ level (Source: field survey, 2022).

came first with the mean score of 2.76 with the standard deviation of 0.21 followed by limited fund which characterizes IEAs with the mean score of 2.72 and standard deviation of 0.14. This has made small scale business difficult to expand. The finding is in tandem with the finding of Fapohunda (2014) who noted that women's lack of access to affordable credit prevents them from expanding their enterprises. Others challenges encountered by the rural women's involvement in IEAs are lack of permanent sales points ($\bar{x}=2.68$, $SD=0.24$), strong market competition ($\bar{x}=2.55$, $SD=0.13$) and seasonality of some economic activities ($\bar{x}=2.33$, $SD=0.19$). Fapohunda (2014) noted further that competition in the informal sector is increasing thereby compounding the problems of women who generally operate small-scale business with limited capital.

The results in Table 5 shows a positive and significant relationship between age ($r=0.209$, $p<0.05$) but a negative and significant relationship between household size ($r=-0.142$, $p<0.01$) and the involvement of rural women in the

study area. However, annual income ($r=-0.106$, $p<0.01$) had a negative but non-significant relationship with the rural women's involvement in IEAs. The relationship of the respondents' age and their level of involvement in IEAs means that age is relevant in carrying out informal economic activities. Rural women are expected to exude strength in carrying out their activities while at their active age because the older they become, the lesser strength they have to work for longer hours and to carry out strenuous activities. The negative but significant relationship of household size indicates that the higher the number of individuals in a rural woman's household who involves in IEAs, the lesser the involvement of such woman in IEAs. This is because such a woman would have many to cater for in her household.

The results of the chi-square in Table 6 reveal the relationships between some selected nominal variables and the level of involvement of rural women in IEAs. All the variables; religion ($\chi^2=33.75$, $p \leq 0.00$) marital status ($\chi^2=134.15$, $p<0.00$), educational status ($\chi^2=500.43$,

$p \leq 0.006$), credit accessibility ($\chi^2=92.951$, $p \leq 0.12$), and membership of social organization ($\chi^2=249.61$, $p \leq 0.16$) had significant relationship with the level of involvement of rural women in IEAs.

The relationship of the respondents' marital status and their level of involvement is an indication of more responsibilities of the respondents and so more income is needed to discharge their responsibilities. The level of education may influence their ability to embark on one form of IEA or the other. Credit accessibility would also help or facilitates their engagement in IEAs. Membership in different organizations would give rural women the opportunities to gather information useful to embark on IEAs and also access to small loans in groups.

Conclusion and Recommendations

From the study, it was found that the rural women were fully involved in IEAs such as food vending, petty trading, hawking of snacks and drinks, sales of agricultural products like cooked and or roasted maize and yam. The sales of fruits and partial engagement in artisan works such as tailoring were highly significant to the level of involvement of the rural women in IEAs in the study area due to the nature of the informal activities. The study also established that marital status, household size, membership of social organization and credit accessibility had significant relationship with the level of involvement of rural women in the study area. The constraints encountered by the rural women in engaging in IEAs are poor storage facilities limited fund, lack of permanent sale points, strong competition between them and seasonality of some of these economic activities. Based on the findings, the following recommendations are made;

1. Government and relevant agencies should assist rural women by providing credit facilities which will enable them to expand their production capacity for increased income.
2. Rural women should be encouraged to form viable cooperative or social organizations which would facilitate their accessibility to funds from formal financial institutions.
3. Training in different entrepreneurship skills should be encouraged to make them more efficient in whatever economic activities they embark upon.
4. Rural women who are involved in the processing and sales of farm produce in small scale should be encouraged by the government and non-governmental organizations through organized training and availability of funds.
5. Storage facilities and other facilities should be provided by the government and the stakeholders for these rural women via their cooperative groups or social organizations to increase the self-life of their products for sale.

CONFLICT OF INTEREST

The authors declare that they have no conflict of interest.

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