



EFFECT OF THE NYSC/MDGs/WAP AGRO-ENTERPRISE LOAN ON BENEFICIARIES' WELL-BEING IN SOUTH WEST NIGERIA

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ABSTRACT

A strong link exists between poverty and income, thus attainment of full employment by youths can reduce poverty, crimes, terrorism and prostitution. This study investigated the effect of NYSC/MDGs/WAP on the well-being of beneficiaries in Southwest, Nigeria. Simple random sampling technique was used to select 120 respondents (ex-corps members). Data were collected with a structured questionnaire and analysed using both descriptive (frequency and percentages) and inferential statistics (Chi-square and PPMC). The mean age of the respondents was 30.8 years, 67.5% were married with 3-5 family size, 73.3% were Christians and 73.3% were male. Those with B.Sc certificate were 46.7%, HND certificate 23.3%. Results indicate that 91.8% used the loan to start up a business, 89.2% engaged in agro-enterprises, with 35.8% into poultry production, 8.3% into beekeeping, while the remaining 10.8% diverted the loan into other businesses. Most of the respondents indicated training (89.2%) and self dependence (81.7%) as their benefits from the programme. Most severe constraint faced by respondents was inadequate credit facility/ loan. However, 55.8% of the respondents had favourable attitude and 53.3% had high well-being status. Marital status was significantly related to well-being of respondents ($r=0.045$, $p=0.023$). Attitude ($r=0.554$, $p=0.000$) of beneficiaries, benefit derived ($r=0.284$, $p=0.002$) and constraint encountered ($r=-0.250$, $p=0.006$) were significantly related to their well-being. Participants' involvement in NYSC/MDGs/WAP was beneficial and it has positive effect on their well-being. To ensure sustainability, availability of land, creation of marketing opportunities and follow-up becomes imperative.

Keyword: Well-being, NYSC/MDGs/WAP, youth empowerment, agro-enterprise loan

INTRODUCTION

The agricultural sector is a major contributor to the Nigerian economy. Agriculture serves as the largest non-oil export earner, the largest employer of labour and a key contributor to wealth creation and poverty alleviation, as a large percentage of the population derive their income from agriculture (NEEDS, 2004). The sector is estimated to constitute about 40% of the Gross Domestic Product (GDP) and remains one of the areas identified to address youth unemployment in the country (FMARD, 2000). Nevertheless, poverty, hunger and unemployment have been on the increase since the late 1990s in Nigeria (FOS, 2011). The National Bureau of Statistics (2012) estimated the unemployment rate to be 23.9 per cent.

In an attempt to checkmate the growing rate of unemployment and poverty, several programmes were introduced by past governments in the country. Some of such interventions include: Operation Feed the Nation (OFN), Better Life Programme (BLP), National Directorate of Employment (NDE), Poverty Eradication Programme (PEP), Farm Settlement Scheme (FSS), National Agency for Poverty Eradication Programme (NAPEP) among others. These strategies proved ineffective at addressing their intended purposes due to reasons such as low productivity, conflicts, poor management, political instability, lack of continuity, poor monitoring and evaluation, misappropriation of fund to mention a few.

The National Youth Service Corp (NYSC), established in 1973 by the Federal Government with a view to promote national unity and ensure proper establishment and development of communities, targeted the youths of Nigeria. The scheme requires graduates across the country from universities, polytechnics and colleges to participate in the national service for a calendar year. The NYSC has helped in creating entry level jobs for many Nigerian youths, however due to the increase in school enrolment and number of higher institutions of learning as well as increase in the number of children attending schools and completing tertiary education, millions of young people face a bleak future of employment opportunities (Longe Report, 1992). Adesanya, (2013) confirmed that out of the number of graduates who complete the NYSC scheme yearly, only 10% are employed in a desired place of work.

However since inception, the NYSC has collaborated with several agencies in many areas of human and societal developmental needs towards meeting national and global challenges. One of which is its collaboration in 2009 with the Millennium/Sustainable Development Goals (M/SDGs) Office in Abuja, Nigeria to engage interested youth in agriculture with the aim of creating employment, reducing poverty and hunger. NYSC/M/SDGs/WAP is an economic empowerment programme which focuses on the Millennium/Sustainable Development Goal 1 (one) geared towards eradicating extreme hunger and poverty. It seeks to equip corps members with



agro-entrepreneurial skills/training by empowering them with interest free loan to generate employment, eradicate extreme poverty and hunger.

Meanwhile, the inability of youth to engage in agriculture as a means of employment in Nigeria has been attributed to lack of access to finance and micro-credit, land, dis-interest of young people in agriculture among others, thus increasing the rate of unemployment. This has resulted in unwholesome effects such as increase in political unrest, drug abuse, increase in crime rate, illicit sex trade, kidnapping, human trafficking, terrorism, low self-esteem among others. Strategies such as creating an enabling environment for agro-business, including building critical infrastructure, making regulatory services transparent and providing sustainable access to enterprise finance with the aim of generating employment for graduates, non-graduates and school leavers in the agricultural sector have been undertaken by government. The strategies place emphasis on self-employment in agricultural production and marketing. In 2013, the programme was recorded to have empowered over 3,500 participants in various enterprises. However, the effect of the programme on the well-being of beneficiaries' has not been ascertained which therefore necessitated the focus of this study. The specific objectives were to:

- 1) determine socioeconomic characteristics of the respondents
- 2) ascertain the benefits derived from the programme by the beneficiaries;
- 3) determine the attitude of the beneficiaries towards the programme;
- 4) identify the constraints faced by the beneficiaries;
- 5) ascertain the effect of the programme on beneficiaries' well-being.

METHODOLOGY

The study area was the Southwest geo-political zone of Nigeria. The zone consists of six states: Ekiti, Lagos, Ogun, Ondo, Osun and Oyo. The zone lies between latitudes 6^o and 9^o north and longitudes 2^o and 6^o east. It has a total land mass of 77,818km² and a projected population of 28,767,752 in 2002 (NPC, 1991). The population for the study comprised all the beneficiaries of the NYSC/MDG/WAP loans who have operated a business enterprise for at least three years in Southwest, Nigeria. Random sampling technique was used to select a total of 120 respondents, from whom data were collected with the use of structured questionnaire. Benefits derived was measured as: large extent (2), less extent (1) and not at all (0). Attitude towards the programme: Likert-scale of SA (5), A (4), U (3), D (2), SD (1)

for positively-worded statements and vice versa for negative statements. Purpose of loan utilisation: business expansion (1), start-up capital (2), not utilised = 0. Constraint: severe (2), mild (1) and not a constraint (0). Well-being was measured by adapting the Warwick Edinburgh Mental Well-being scale and the Ryffs Scale of Psychological Wellbeing. Respondents' well-being was obtained through addition of the four dimensions of well-being (material, economic, social and psychological), after which aggregated scores from the dimensions provided the basis for categorization of beneficiaries' well-being into high, average and low levels.

RESULT AND DISCUSSION

Personal characteristics of respondents -

Age distribution of respondents ranged between 24 and 39 years as indicated in Table 1 and the mean age was 30.8±2.83 years. This shows that they were still in their productive age wherein their energies could be harnessed and utilised for productive ventures in agriculture. More males (73.3%) were involved in the programme relative to females (26.7%) which, according to Agbebaku (2004), is attributable to the popular belief that agriculture is mainly for males because of the drudgery associated with it. Most of them were married (67.5%) with 53.3% having a household size of 3 – 5 persons. These may have prompted their involvement in the programme so as to augment their finance which can positively affect their well-being. This agrees with Ani *et al.* (2007) that married persons have more financial responsibilities. Additionally, 89.2% indicated that they established an agro-enterprise with the loan obtained from the programme, which gives a hint of youth willingness to involve in agriculture provided there is a source of finance. This is also reflected in the academic background of the respondents, as agricultural and non-agricultural graduates participated in the programme.

Table 1: Distribution of respondents by personal characteristics

Variable	Frequency	Percent age	Mean	Std. Dev.
Age				
24-27	12	10.0	30.8	2.83
28-31	52	43.3		
32-35	53	44.2		
36-39	3	2.5		
Sex				
Male	88	73.3		
Female	32	26.7		
Marital status				
Single	39	32.5		
Married	81	67.5		



Variable	Frequency	Percent	Mean	Std. Dev.
Own farm size				
0-1	107	89.2		1.04
2-3	8	6.7		
4-5	3	2.5		
6-7	2	1.7		
Degree type				
HND	28	23.3		
B.Sc	56	46.7		
B.Agric	18	15.0		
B.A	4	3.3		
B.Ed	5	4.2		
M.Sc	9	7.2		
Enterprises				
Agriculture	107	89.2		
Non-Agriculture	13	10.8		
Household size				
1-2	50	41.7	2.50	2.41
3-5	64	53.3		
6-8	1	0.8		
9-11	4	3.3		
12-14	1	0.8		

Source: Field survey, 2014.

Loan utilisation - Findings on loan utilisation by the respondents as presented in Table 2 indicate that majority (91.7%) of the respondents used the loan to start up an agro-business enterprise sequel to the training they received. Likewise, 5.8% indicated that they diversified into other businesses which are non-agricultural, while 2.5% who were already into one form of business used the loan to scale-up their business. It follows that the respondents, after undergoing training set-up business enterprises for the purpose which loan was procured. This aligns with the observation of Adekunle (2009) that many of the school leavers trained by the National Directorate of Employment (NDE) started business for the purpose which they obtained the loan. The result also shows that 35.8%

of the respondents that utilised the loan for agriculture were into poultry farming, followed by fish farming (30.8%), while 14.2% were involved in Plantain sucker multiplication, Snailery (11.7%), Grasscutter rearing and Animal husbandry (10.0% respectively), piggery as well as beekeeping (8.3%). The rationale for choosing poultry/ fish production as income generating activities by the respondents may be because of short gestation period, high demand for poultry and fish products and high turnover rates on investment, compared to other livestock such as sheep, goat and cattle. This claim is supported by Sanyang (2002) who posited that women engage in poultry production because of its high turnover rate when compared to other livestock.

Table 2: Distribution of respondents by purpose of loan utilisation

Loan utilisation	Frequency	Percentage
Start-up a business	110	91.7
Scale-up of business	3	2.5
Diversification of business	7	5.8

Source: Field survey, 2014.

Benefits derived from involvement in NYSC/MDGs/WAP - Benefits derived by the respondents from the programme are shown in Table 3a. Majority of the respondents indicated that, to a large extent, their involvement in the NYSC/MDGs/WAP programme resulted in empowerment (89.2%), self-dependent (81.7%) and improved self-esteem (86.5%). It follows that the beneficiaries were better-off after the programme than they were before it started, which can help to confer a positive well-being status on them against a state of unemployment that could lead to depression, low self-esteem, frustration and a number of other negative consequences (Ipaye, 1998).

Table 3a: Distribution of respondents by benefits derived

Benefit derived	Not at all	Less Extent	Large extent	Weighted Score
Training/empowerment	5.0 (6)	5.8 (7)	89.2 (107)	221
Self-dependence	8.3 (10)	10.0(12)	81.7 (98)	208
High self esteem	13.3 (16)	17.5(21)	69.2 (83)	187
Increased scale of production	15.0 (36)	51.7(52)	33.3 (32)	142
Improved standard of living	16.7 (20)	33.3(40)	50.0 (60)	130
Improved skills	30.8 (37)	30.0(36)	39.2 (47)	130
Increased savings and investment	30.0 (36)	43.3(52)	26.7 (3.2)	116

Source: Field survey, 2014.

The level of benefit derived by the respondents as depicted in Table 3b revealed that 57.5% derived high benefit, while 42.5% derived low benefit. Since a higher proportion of them derived a high

level of benefit, it is expected that this will have a positive effect on their well-being.



Table 3b: Distribution of respondents by level of benefit derived

Categories Mean	Frequency	Percentage
Low (0 - 9)	51	42.5
High (10 - 14)	69	57.5

Source: Field survey, 2014.

Attitude towards NYSC/MDGs/WAP programme - Table 4 reveals that 55.8% of the respondents had favourable attitude towards the programme (mean = 77). This positive disposition infers that they are willing and ready to venture into agriculture as a means of livelihood, provided necessary requirements are met. It behoves on relevant stakeholders, particularly the government, to encourage youths in the country through provision of credit that can be used to set-up or scale-up agro-enterprises which can serve as a veritable tool in curtailing unemployment and its attendant vices.

Table 4: Distribution of respondents by level of attitude

Categories	Frequency	Percentage
Favourable (77 - 122)	67	55.8
Unfavourable (45 - 76)	53	44.2

Mean = 77

Source: Field survey, 2014.

Table 5: Distribution of respondents by constraints faced in the establishment of agro-enterprise

Constraint	Not a Constraint	Minor Constraint	Major constraint	Rank
Inadequate credit facility	15.0 (18)	13.3 (1)	71.7 (8)	1
Lack of monitoring follow-up	44.2 (53)	9.2 (11)	46.7 (5)	2
No ready market for produce	40.8 (49)	20.8 (25)	38.3 (4)	3
Poor returns on investment	45.0 (54)	23.3 (28)	31.7 (3)	4
Feed price instability	47.5 (57)	30.0 (36)	22.5 (2)	5
Unavailability of land /space	55.0 (55)	17.5 (21)	27.5 (3)	6
Inability to repay	55.0 (66)	18.3 (22)	26.7 (3)	7
Diseases/pest attack	59.2 (71)	21.7 (26)	19.2 (2)	8
Poor harvest	53.3 (64)	39.2 (47)	7.5 (9)	9
Natural hazards	68.3 (82)	12.5 (15)	19.2 (2)	10
Insufficient access to farm inputs	68.3 (82)	15.0 (18)	16.7(2)	11
Inadequate training	72.5 (87)	12.5 (15)	15.0 (1)	12
Poor basic training knowledge	75.0 (90)	14.2 (17)	10.8 (1)	13
Inadequate equipment	86.7 (104)	6.7 (8)	6.7 (8)	14
Inadequate managerial skill	89.2 (107)	5.8 (7)	5.0 (66)	15
Record keeping of production activities	88.3 (106)	6.7 (8)	5.0 (6)	16

Source: Field survey, 2014.

Well-being of the respondents

The respondents' economic, psychological and social well -being level had increased positively due to their engagement in various agro-enterprise as this has hyped –up their self-esteem, financial security and reduce the emotional burden caused by unemployment. However, their material well-being is low.

Constraints to involvement in agro-enterprise

Table 5 shows that 71.7% of the respondents identified inadequate credit facility as the major constraint limiting their involvement in agro-enterprise. This is indicative of the point that the size of loan disbursed after training is not for instance commensurate to the start-up capital required by a beneficiary to establish an agro-enterprise. Similarly, 46.7% pointed out that lack of monitoring/follow up is a major issue affecting involvement in agro-enterprise. This view is explainable from the fact that loan procured by certain beneficiaries may not be used for the purpose it was intended for, thus depriving intended beneficiaries who would have procured such loan and invest it in an agro-enterprise. Also, certain challenges encountered by beneficiaries could be spotted during monitoring that can lead to improvement of the programme subsequently. However, inadequate management skill (89.2%) and poor record keeping of production activities (88.3%) among other issues were not considered as constraints by the respondents. From these, it is fitting to say that the training the programme beneficiaries went through was quite detailed, as they were adequately taught how to establish and manage the agro-enterprises.

Table 6 shows that majority (53.3%) of respondents had high well-being. This implies that the NYSC/MDGs/WAP programme impacted positively on the respondents with 48.3%, 59.2%, 58.3% and 53.5% respectively having high well-being in material, economic, social and psychological dimensions of well-being. However, finding also showed that 43.3% had low well-being. This outcome is buttressed by Emeh (2012),



who reported that a large majority of the world's youths are experiencing low well-being, with the Nigerian youth having the lowest well-being in the world.

Table 6: Distribution of respondents by level of well-being

Categories	Frequency	Percentage
Low (0 - 8.44)	52	43.3
Average (8.45)	4	3.3
High (8.46 -15.48)	64	53.3

Mean = 8.5 3; SD = 0.23

Source: Field survey, 2014.

Relationship between respondents' personal characteristics and well-being

Table 7 shows that respondents' marital status ($\chi^2 = 0.045$, $p < 0.05$) and educational level ($\chi^2=0.301$, $p<0.05$) were significantly associated with their well-being. The nexus between marital status and well-being is explainable from the point that marriage, according to Frey and Stutzer (2002) raises happiness, as married individuals enjoy the support and companionship of their partners, thereby enhancing their self-esteem. Additionally, given that social and economic dimensions are important dimensions of well-being scales, BBS (1991) asserted that marriage is highly cherished for social and economic reasons. Similarly, wellbeing is considered greatest among the more educated, as education influences people's well-being (Blanchflower and Oswald, 2000; OECD, 2011).

Table 7: Chi-square test between personal characteristics and well-being of respondents

Variable	χ^2	Df	P-value	Decision
Sex	0.085	1	0.155	NS
Marital status	0.045	1	0.023	S
Religion	0.959	1	0.005	S
Educational level	0.301	1	0.035	S
Enterprise type	0.184	1	0.120	NS

Source: Field survey, 2014.

Relationship between benefits derived, attitude, constraints and well-being of respondents

The result of the correlation analysis on table 8 shows a significant relationship between benefits derived and well-being ($r = 0.284$, $p = 0.002$). The fact that beneficiaries of the NYSC/MDGs/WAP programme have access to loans and training on business management, which are among the programme benefits wherein they are expected to channel into setting-up or scaling-up of agro-enterprises, can help to make them self-employed. This will have an effect in enhancing their ability to meet their needs (material, economic, social, mental needs) thereby improving their well-being. This is in line with Sen's (1993) definition of well-being as the ability of a person to meet his or her basic human needs, ability to function effectively in

his or her social context and capability to make choices in his or her life.

Also shown in Table 8 is the result of the correlation analysis indicating a significant relationship between attitude and well-being ($r = 0.554$, $p = 0.000$). It is not far-fetched that the benefits derivable from any programme will influence people's attitude towards such a programme. It can be asserted that if beneficiaries realize the NYSC/MDGs/WAP programme will benefit them, they form a positive attitude towards it by embracing and becoming committed to it. If the programme benefits are eventually realized, it is expected to contribute to their lives thus enhancing their well-being.

Constraint faced by the respondents was also significantly correlated with well-being ($r = -0.250$, $p = 0.006$). This finding is quite admissible as a result of factors such as inadequate credit facility, low availability of ready market for produce and poor monitoring/follow-up among others can lead to a reduction in the returns of agro-enterprises of beneficiaries. This can in turn affect the income accruing to them, affect them psychologically thus affecting their well-being.

Table 8: Correlations between benefits, attitude, constraints and well-being of respondents

Variable	r – value	p – value	Decision
Benefit	0.284	0.002	S
Attitude	0.554	0.000	S
Constraint	-0.250	0.006	S

Source: Field survey, 2014.

CONCLUSION AND RECOMMENDATION

The NYSC/MDGs/WAP beneficiaries in the southwest were preponderantly males, married, engaged in agro-enterprises, especially poultry farming. Most of the respondents derived high benefit from the programme, thereby resulting in most of them having a favourable attitude towards it. The paramount constraint encountered by the beneficiaries was inadequate credit/loan facility, but most of them had high well-being. Significant and positive correlations were observed between benefit derived, attitude and well-being, while correlation between constraints and well-being was negative. i.e constraints lower the respondents' well-being It is recommended that programme implementers ensure adequate provision of credit/loan facility, ensure availability of land, creation of market opportunity and proper monitoring/follow-up in order to make the programme more rewarding.

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