

DIVERSIFICATION AS A TOOL FOR ALLEVIATION OF RURAL HOUSEHOLD POVERTY IN APA LOCAL GOVERNMENT AREA, BENUE STATE

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ABSTRACT

The research examines diversification as survival strategy to alleviate rural household poverty in Apa Local Government Area, Benue State. A total of 120 respondents were selected for interviewed through multi-stage stratified random sampling technique. The result shows significant relationship between some socio-economic characteristics and poverty alleviation strategy. There are: agricultural income ($r=0.58, p<0.05$); non-farm income ($r=0.46, p<0.05$); level of formal education ($r=0.40, p<0.05$) and sex/gender ($r=0.35, p<0.05$). Household size and age were though positive, but insignificant. In the ranking order, the provision for basic needs was food, ranked 1st, education 2nd and housing 3rd. non-farm has become a household means of survival. Households continue to seek additional non-farm income to preserve a level of household income in the face of economic problems. Equal average earning between agricultural income and non-farm income in this study suggest that the rural non-farm sector could potentially offer a pathway out of rural poverty. It is recommended that promotion of rural non-farm activities be an ingredient in strategies aimed at developing viable rural economies.

Keywords: Diversification, poverty, farm and non-farm income, rural development.

INTRODUCTION

Diversity of economic activities has been a prominent theme in the study of agricultural and rural development in recent years. Research in both developing and the developed world has increasingly investigated the existence of and trend in economic diversity within rural households, villages and towns. One reason for this is the growing evidence of poverty and the strategies to cope with the rural poverty. While traditionally, rural areas are equated with farming, this is now broadly recognized as misleading (Start, 2001),

Rural non-agricultural activities have received increasing attention since the early 1990s. The share of rural household income

that stems from non-agricultural sources ranges from 35 percent in Asia to 40 percent in Latin America and 45 percent in Sub-Saharan Africa emphasizing that the rural economy consists of much more than just agriculture (Reardon, et al. 2001). Among the roles of the rural non-agricultural sector are its potentials to absorb an underemployed rural labour force and thereby slow DOWN rural-to-urban migration, to increase the income of the rural poor and to contribute to national economic growth (Lanjouw and Lanjouw, 2001; Kay, 2005). These roles of the rural non-agricultural sector and particularly the potential to be a pathway out of poverty for rural households and land constrained family

farmers have been recognized in rural development strategies during the past two decades (de Janvry and Gadoulet, 1993; Echeverria, 2000; Quijandria et al., 2001; World Bank 2003 and 2008). Many studies also from developing countries show that farm and other households in rural areas across the developing world typically derive between 40 percent and 60 percent of household income from sources other than agriculture (Ferreira and Lanjouw, 2001; Reardon et al., 2000; Haggblade et al., 2003; Barrett et al., 2001; Deininger and Olinde, 2001).

Income opportunities outside the agricultural sector usually contribute between 10 to 30 percent to the total budget of the rural family (Cammann; Mueller and Weinmann, 2007). Poverty reduction is strongly linked to the ability of rural people to diversify and complement their often meagre agricultural based sources of income through non-farm activities.

Although, individuals and households may view well-being in various ways, common to them is their endeavour to achieve it. In an attempt to achieve good living, livelihood is placed centrally as it is the means which people make their living with the utmost aim to sustain it. Livelihood plays a substantial role in the pursuit of well-being of people especially in the long term. Therefore, the link between livelihood and well-being is strong and forms a key component of processes under which various resources are transformed in a complex way in order to continuously achieve well-being.

The need for this study lies in the possibilities of diversification to solve income problems of rural poor and the importance of

traditional income of rural economies (agriculture and non-agriculture). The paper seeks to assess diversity as a livelihood strategy in alleviating poverty in rural households. The specific objectives are to describe the socio-economic characteristics of the respondents, determine their farm and off-farm activities in meeting their households needs, and to ascertain the financial contributions made to meet their household needs.

METHODOLOGY

The study area was carried out in Apa Local Government Area of Benue State, Nigeria. The people are predominantly farmers and the crops grown include yam, cassava, rice, maize, guinea-corn, millet, bambara nut, ground nut, etc. However, other non-agricultural jobs like civil service, trading, processing and craftsmanship are available. Simple random sampling technique was used to select the respondents from four villages which include Oiji, Ugbokpo, Auke and Adikwu 1. From each of the four villages, thirty respondents were interviewed bringing the total sample size to 120. Analytical statistics used include frequency distribution, percentages and Pearson Product Moment Correlation and ranking order.

Pearson Product Moment Correlation

$$r = \frac{\sum xy - (\sum x)(\sum y)}{N \sqrt{\left[\frac{\sum x^2 - (\sum x)^2}{N} \right] \left[\frac{\sum y^2 - (\sum y)^2}{N} \right]}}$$

r = Pearson r

$\sum x$ = the sum of scores in x direction

$\sum y$ = the sum of scores in y-direction

$\sum xy$ = the sum of the product of paired x-and y- scores

$\sum x^2$ = the sum of the squares in x-direction

N = the number of paired x-and y-score (subjects)

RESULTS AND DISCUSSION

Table 1 shows that the majority (66%) of the respondents were between age of 31 and 50 years, implying that the respondents were still in their productive age. It is assumed that these age groups is responsive to changes in innovations and are able to diversify into non-agricultural activities for economic enhancement and improved livelihood.

About (57%) of the respondents were female while (34%) were males. The more number of women or female to male could mean that females are more into non-agricultural activities than males. About (43%) and (21%) of the respondents were primary and secondary school certificate holders respectively. It means that the respondents

were fairly literate and it is assumed that household with formal education have higher welfare than households with non-formal education. The higher the education, the more likely that an individual undertakes non-agricultural employment that requires skilled labour (Bezemer, 2003). The level of education influences the behaviour change and capacity to acquire other skills.

Majority of the respondents have household size of 6-10, the large family size reduces welfare. Slightly more than half (55%) of the respondents earned farm income of above N61, 000.00 per annum. With the present economic hardship, the average amount earned is too meagre for the respondents to acquire farm inputs and as well as appropriating their household responsibilities.

Table 1: Distribution of respondents according to socio-economic characteristics

Variable	Frequency	Percentage
N = 120		
Age (Yrs.)		
□30	10	13.3
31– 40	43	35.8
41–50	36	30.0
□51	25	20.8
Total	120	100.0
Sex/Gender		
Males	52	43.3
Females	68	56.7
Total	120	100.0
Level of Formal Education (yrs.)		
Non-formal education	32	26.7
Primary Education	51	42.5
Secondary Education	25	20.8
Tertiary Education	12	10.0
Total	120	100.0
Household Size		
1– 5	41	34.2
6–10	57	47.5
□11	22	18.3
Total	120	100.0

Variable	Frequency	Percentage
N = 120		
Annual farm Income (₦)		
≤ 20,000.00	19	15.8
21,000.00 – 40,000.00	13	10.8
41,000.00 – 60,000	22	18.3
□ 61,000.00	66	55.0
Total	120	100.0
Non-farm Income (₦)		
≤ 20,000.00	4	3.3
21,000 – 40,000.00	10	8.3
41,000 – 60,000	50	41.7
□ 61,000.00	56	46.7
Total	120	100.0

Source: Filed Survey

About (47%) of the respondents earned N61,000.00 per annum followed by (42%) that earned

between N41,000.00 – N60,000.00 per annum. The respondents interviewed about their non-farm income said, they invest the money into agricultural activities trying to establish some growth.

Table 2 shows that less than half of the respondents (43%) were into crop production, (36%) kept livestock and (22%) were into processing of agricultural produce. About (29%) of the respondents were into wholesale and retail trading in non-agricultural produce while 21% of the respondents were wage labourers made up of women and young adults. Sixteen percent of

the respondents were into processing. The most noticeable difference between male and female in non-agricultural activities is that women and young adults dominated jobs classified as farm service and men were into traditionally dominated activities by men such as construction, transportation and manufacturing. Even though there were fewer respondents in construction, transportation, manufacturing, on the average, they earned higher income than in other non-farm activities. In all these sectors, men earned more than women.

Table 2: Distribution of respondents according to income activities

Variable	Frequency	Percentage
N=120		
Agricultural activities*		
Crop production	120	100.0
Keeping of livestock	97	80.8
Processing of agricultural produce	60	50.0
Non-Agricultural activities*		
Wholesale and retail trade	91	75.8
Farm service (wage labour)	65	
Food processing	50	15.97
Cooperative membership	40	12.78
Craft	20	6.39
		N=120

Variable	Frequency	Percentage
Construction	20	6.39
Transportation	16	4.79
Manufacturing	7	2.24
Level of Formal Education (yrs.)		
Non-formal education	32	26.7
Primary Education	51	42.5
Secondary Education	25	20.8
Tertiary Education	12	10.0
Total	120	100.0

Source: Field Survey 2010

*Multiple response

The large average earning suggests that the rural non-agricultural sector could potentially offer a

pathway out of rural poverty.

Table 3 shows that (38%) and (29%) of the respondents made provision for food by buying from the market and keeping of domestic animals when the need arose, respectively. Other poverty alleviation strategies included processing of agricultural crops.

For the provision of health, 34% attended government hospitals for treatment, 28% to herbalists and 22% visited unqualified medical practitioners for medical treatment.

For the provision of housing, 29% resided in mud and thatch-roofed houses, 52% in mud and zinc-roofed houses. Only about 19% resided in cement block and zinc-roofed houses as a strategy to alleviate rural poverty. For the provision of clothing, 42% depended on fairly used clothes, 36% depended on child to child inheritance as methods to cut down costs. About 19% got fairly used clothes from relatives.

Table 3: Distribution of respondents according to poverty alleviation Strategies

Welfare indices and Alleviation Strategies*	Frequency	Percentage
N=120		
Provision for Food		
Purchase from market	120	100.0
Keeping of domestic animals	90	75.0
Processing of agricultural crops	70	58.3
Provision for Health		
Treatment from government hospitals	80	66.7
Herbalists	66	55.0
Unqualified medical practitioners	51	42.5
Treatment from private hospitals	40	33.3
Provision for Housing		
Residing in mud and thatched roofed	66	55.0
Residing in mud and zinc roofed	120	100.0
Residing in cement block and zinc roofed	44	36.
N=120		

Welfare indices and Alleviation Strategies	Frequency	Percentage
Provision for clothing		
Buy fairly used clothing	120	100.0
Child to child inheritance	101	84.2
Gift from relatives	55	45.8
Purchase on credit	10	8.3

Source: Field Survey 2010

*Multiple responses

Table 4 shows the provision for basic needs of the respondents. About 34% ranked the provision for food, 23% ranked education and 19% ranked housing as 1st, 2nd and 3rd respectively. Others were 14% health,

clothing 5% and others about 5% in descending order. This shows the importance of food, education, housing, health, etc to human existence.

Table 4: Distribution of respondents

according to the provision for basic needs.

Variable*	Frequency	Percentage	Ranking
Food	120	100.0	1 st
Education	81	67.5	2 nd
Housing	69	57.5	3 rd
Health	51	42.5	4 th
Clothing	18	15.0	5 th
Others	17	14.2	6 th

Source: Field Survey 2010

*Multiple responses

Table 5 shows that there is significant relationship between some socio-economic characteristics and poverty alleviation strategy. These are: agricultural income ($r=0.58, p<0.05$) non-farm income ($r=0.46, p<0.05$); level of formal education ($r=0.40, p<0.05$) and sex/gender ($r=0.35, p<0.05$.) Household size and age though positive,

were significant. Both farm income and non-farm income were significantly related to household poverty alleviation strategies as both were used in sustaining the family. Non-farm income which is complementary is profitable as much as farm income. Cammann et al. (2004) confirmed it in his study on how to mobilize the rural poor for a better economic development.

Table 5: Pearson correlation of the relationship between selected socio-economic characteristics and poverty alleviation strategies.

Variable	Correlation coefficient (r)
-Age	0.196
-Sex	0.354*
-Level of formal education	0.401*
-House hold size	0.129
-Annual farm/Agricultural income	0.580*
-Annual non-farm income	0.464*

*Significant at 0.05 Level of probability.

Education is significantly related to poverty alleviation strategies as education influences the behavioural changes and capability to acquire other skills to improve the lives of the poor. It means that the more educated a household head is, the more likely he can generate income by acquiring more skills. It could also be inferred that household heads with formal education have higher welfare than those without. Though less number of men was employed in non-agricultural sector, they earned higher earning than women in both agricultural and non-agricultural activities. Gender earning gaps is larger in the non-agricultural work. The household size, though positive, is insignificant. It could be explained that generally, the large family size reduces welfare. The larger the household size, the poorer the family. Omonona (2009) confirmed this in his study of quantitative analysis of rural poverty in Nigeria.

CONCLUSION AND RECOMMENDATIONS

Economic problems have adversely affected incomes from agricultural production and many farm households have accessed non-agricultural services of income in the rural economy. The increased importance of the non-agricultural rural economy and its importance in alleviating rural poverty are the bases for an analysis of agriculturally based rural diversity. The extent to which rural non-agricultural employment is able to reduce poverty ultimately depends on rural household access to such employment and

the income prospect in those non-agricultural activities.

Non-agricultural income sources are found to provide more income than agricultural income activities. In all, this suggests that non-agricultural activities and incomes are essential part of our rural economy. They provide employment, support income and aid in poverty alleviation. The non-agricultural activities are not a stage for leaving agriculture but rather a search for additional income to be able to continue the farming activities.

It is recommended that:

Promotion of rural non-agricultural activities like that of agricultural activities be an ingredient in strategies aimed at developing viable rural Economies.

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