



## PROMOTING NON-FARM EMPLOYMENT AND INCOME IN NIGERIA'S RURAL COMMUNITIES: FOCUS ON SOME SELECTED CENTRAL PLATEAU RURAL AREAS

<sup>1</sup> Dashol\*, Ishaya Usman & <sup>2</sup> Panshak, Yohanna  
 \*Corresponding authors' email: [dashol@plasu.edu.ng](mailto:dashol@plasu.edu.ng)

<sup>1&2</sup> Department of Economics, Plateau State University, Bokoos – Nigeria

### ABSTRACT

*Diversification of income is an important livelihood mechanism among rural farmers in Nigeria's rural communities. While these areas are rich in agricultural potentials, they experience severe economic challenges arising from precariousness of commodity prices, climate change and limited access to markets and capital. This paper examined the implications of nonfarm employment on rural income using survey data from 400 rural participants in Plateau Central, Nigeria. Descriptive statistics was used to achieve the research objectives. The result showed that the need to supplement primary source of income, alleviate pressure of family size, overcome unpredictability of agricultural returns are among the major motivating factors to participate in nonfarm employment. On the significance of nonfarm employment, the study established the importance of nonfarm income on rural households' welfare and a rewarding venture after retirement. It was concluded that nonfarm sector employment among rural folks is a veritable catalyst to economic progress and overall growth. Accordingly, government should make efforts towards improving vocational skill sets of rural households, creating jobs outside of the agricultural sector, making credit accessible and improving on security architecture of the rural communities.*

**Keywords:** Nonfarm employment, income, rural Nigeria  
**JEL:** E24, E26, Q15

### 1.0 Introduction

Nigerian rural settlements, while endowed with vast agricultural potentials, often experience severe economic challenges originating from fluctuations in commodity prices, climate change and limited access to markets and capital. To address these problems and enhance sustainable rural growth and development, promoting nonfarm employment and income generation has emerged as an important strategy (Haggblade, Hazell, & Reardon, 2010; Odozi et al. 2018; Anang & Apebo, 2023).

Through diversification of economic activities beyond agriculture, rural communities beyond agriculture, rural communities can enhance their resilience, reduce poverty and improve overall quality of life. Ellis (1998) and Odozi and Adeyono (2021) noted that the significance of nonfarm employment in rural Nigeria can be understood through its impact on income diversification, poverty reduction, and economic stability. Nonfarm activities provide rural households with additional income streams and helps reduce the worsening unemployment crisis in the country.

As corollary to the above, Nigeria's population is forecasted to be approximately 400 million in 2050. While it presents excellent prospects as a source of supply of requisite labour, there is an alarming danger of a looming employment emergency. At the moment, there is a serious

rural unemployment, where poverty is perennial phenomenon. Note that gainful employment and income are channels of poverty reduction (Odozi & Adeyono, 2021, Awoyemi, 2004, Barrett, Reardon, & Webb, 2001). To transform rural potentials into sustainable employment and income generating asset, reforms in the productive structure to capture various non-agricultural activities in rural communities is critical. Through the diversification of economic activities beyond agriculture, small-scale farmers can enhance their performance, reduce poverty and improve overall quality of life.

Central Zone of Plateau State, Nigeria, offers a compelling case study for examining the role of nonfarm employment in rural development. This region is characterized by diverse agricultural activities, but also faces significant challenges such as land degradation, climatic variability, and socio-political instability. These challenges have necessitated the exploration of alternative livelihood strategies to enhance economic growth and improve living standards.

This article proceeds as follows. Following the introduction section in section one is a brief review of related literature in section two. Section three and four, cover research methodology and data analysis, respectively. The last section gives conclusion and recommendations of the study.

## 2.0 Literature Review

It is impossible to overstate the significance of nonfarm employment in rural development. This section explores the concept, the theoretical framework and empirical researches relating to nonfarm employment.

The International Labour (ILO) defined employment as all persons of working age for pay, profit, or family gain and includes persons having a job or enterprise (ILO, 2013a, 2013,b). The International Labour Convention of 1964 has stated that all are to pursue an active policy designed to promote full, productive and freely chosen employment. According to the National Bureau of Statistics in Nigeria has classified employments as (i) paid employment (ii) self-employment in farming (3) self-employment in non-farming, (4) paid apprentice, and (5) unpaid household worker. This aligned with Odozi & Adeyono (2021) that within the context of rural livelihood model, households can be perceived as having earnings from diverse sources of rural employment.

Vast range of occupations, including manufacturing, services, trade, and other revenue-generating ventures unrelated to agriculture, are included in the category of self-employment in nonfarm employment. Many factors, including the need to reduce the risks associated with agricultural production, take advantage of business opportunities in expanding rural markets, and adapt to demographic pressures like population growth and land fragmentation, are driving people into nonfarm activities (Haggblade, Hazell, & Reardon, 2010).

Numerous important economic theories serve as the foundation for the study of Nonfarm employment in rural areas. These theories offer a framework for comprehending the dynamics and ramifications of shifting away from conventional agriculture as a source of income. According to Livelihood Diversification Theory, rural households diversify their sources of income in order to reduce risks and increase their ability to withstand shocks from the economy and environment. Diversity is a calculated response to the risks involved in agriculture, including market swings, climatic variability, and price volatility. Rural households can increase their general well-being and stabilize their earnings by taking up nonfarm employment. The Livelihood Diversification Theory has been applied to determine the importance nonfarm employment in enhancing rural income and resilience in this study.

Empirically, several studies have found relationship between nonfarm income and employment and how they affect household welfare. Studies carried out in Latin America and Asia demonstrates the importance of nonfarm activities for rural development. For instance, it has been discovered that nonfarm jobs in India, like small-scale manufacturing, services, and petty commerce, significantly increase rural households' incomes and lessen their reliance on agriculture while also boosting economic stability (Lanjouw & Lanjouw, 2001). Similar to this, township businesses and rural industrialization have been vital to China's economic expansion and alleviation of poverty (Kung & Lee, 2001).

Hung et al. (2019) examined several studies and observed the following factors as important in determining household income and employment (i) household size, dependency ratio, gender, age, and education of household head (ii); owned farmland size per capita, the log of total values of all fixed assets (iii) participation in nonfarm employment and wage employment activities; (iv) the presence of the means of transportation, paved roads, post offices, electricity, local markets, and (v) the provincial dummy variables which control for provincial fixed effects.

In the African context, nonfarm employment has been recognized as a vital part of rural lives in Africa. In a thorough investigation spanning multiple African nations, Barrett, Reardon, and Webb (2001) discovered that nonfarm revenue makes a substantial contribution to household income and food security. Their research demonstrates how diversifying nonfarm sources of income helps rural people become less dependent on agriculture and less vulnerable to shocks to the sector. Furthermore, Reardon (1997) noted that nonfarm income is crucial for economic resilience because it makes up a sizable amount of household income in rural Africa. Anang & Apebo (2023) highlighted the importance of income diversification being an essential livelihood strategy among small scale farmers in low income countries, including Ghana.

In the same vein numerous studies have examined the contribution of nonfarm employment to rural development in Nigeria. Broeck and Kilic (2018) investigated the determinants of employment within the context of nonfarm employment. The study combined off-farm wage and nonfarm enterprise employment types to explain the determinants of of-farm employment across several African economies including Nigeria. The paper highlighted push and pull factors, where push factors entail different forms of shocks, lack of agricultural productive assets, and social factors. The pull factors are characterized by available-by-available markets and opportunities, infrastructural facilities and supportive institutions.

According to Oseni and Winters (2009), insufficient infrastructure, restricted financial access, and a deficiency in skills frequently limit nonfarm job prospects in Nigeria. Their analysis highlights the necessity of enacting laws that remove these obstacles in order to increase nonfarm employment. Awoyemi (2004) emphasized the role that nonfarm income plays in reducing poverty in rural Nigeria, pointing out that households with nonfarm incomes typically have greater incomes and better standards of living. Furthermore, Diao et al. (2010) noted that nonfarm enterprises, particularly when bolstered by suitable policies and infrastructure development, might make a substantial contribution to Nigeria's rural economic transformation.

In the same vein, studies have identified some socioeconomic factors that tend to promote participation in nonfarm employment. These include educational attainment; (Lanjouw & Lanjouw, 2001; Ackah, 2013); access to credit (Haggblade, Hazell & Reardon, 2010); infrastructure (Davis, 2003,); social networks (Barrett, Reardon & 2001, Ellis, 1998).

From the review of empirical literature, numerous factors have been identified as determinants of nonfarm employment in rural areas. This paper adds to the literature by exploring the determinants of nonfarm employment in Nigeria's rural communities, from a specific context, Central Plateau. Second, it investigated the influence of socio-cultural variables such as tradition and religion in encouraging rural folks to participate in off-farm ventures. In addition, it explores the benefits of participation in nonfarm work, especially at retirement; hence giving alternative job replacement options to workers after their services end in both public and private sectors.

### 3.0 Methodology

#### 3.1 The study area

The study environment is located in Plateau Central zone, Nigeria. The area is made up of five local government areas, which include, Mangu, Bokkos, Pankshin, Kanke and Kanam. This zone is predominantly occupied by ethnic nationalities of the state. The rationale for the choice of this Senatorial District for the study is the upsurge of nonfarm activities and subsistence of representative or classic countryside livelihood patterns so that research outcomes have policy implications on a large scale.

#### 3.2 Data Selection

This study obtained its required data at the household level and consists of family unit composition such as: age, sex, level of participation, household occupation, marital status, and family size. Key aspects of the data include the motivation for participation in nonfarm activity, sources of funding for the nonfarm activity, access to capital, viability of macroeconomic environment, constraints of the nonfarm economic activities, implications of culture and social norms/traditions on nonfarm employment, importance of public awareness and training on nonfarm activities, importance of nonfarm employment in rural communities were collected.

#### 3.3 Sources of Data

Both primary and secondary sources of data were used for the analysis. For the primary data, structured questionnaires were issued in the study area. The use of secondary data was to add to the primary data, which were obtained from sources including archives, textbooks, journal articles, conference proceedings, internet and applicable documented materials.

#### 3.4 Sample Size and Sampling Techniques

According to the estimated National Population Census (2006), Plateau Central has a total population of 962,118 thousand people. Based on this figure, it is estimated that the population grows at 2.4% annually. In 2022, it was estimated that the population figure stood at 1,415,300 million people (National Population Commission, 2024).

The research first determined the required sample size using the Taro Yamane formula at 95% confidence level with 5% acceptable error.

$$n = \frac{N}{1 + N(e^2)} = \frac{1,415,300}{1 + 1,415,300(0.05^2)} = 399.915$$

Where; n = Sample size; N= Household population; e = permissible error.

With the above information, the research proceeded to collect the required data with a mixture of multistage and purposive sampling techniques. The rationale for the use of purposive

sampling technique was to select rural communities that seem to have greater presence of nonfarm activities.

In this light, 49 to 108 respondents were obtained from the LGAs depending on the level of off farm activities. For instance, Mangu LGA has about 16 Districts (Federal electoral wards) and 12 localities were purposefully selected. Nine (9) questionnaires were issued to the selected localities and a total of 108 responses were obtained. Following this procedure, a total of four hundred (400) respondents were used as the sample size in line with Taro Yamane formula for the study. Hence, the estimated sample size was well thought-out as representative of the whole heads of households in the study district.

Table 3.1 Sample size from Local Government Areas

| LGAs         | Estimated population | No of Communities Selected | No of Households |
|--------------|----------------------|----------------------------|------------------|
| Mangu        | 442,100              | 12                         | 108              |
| Bokkos       | 264,100              | 9                          | 81               |
| Pankshin     | 279,700              | 10                         | 90               |
| Kanke        | 182,800              | 5                          | 49               |
| Kanam        | 246,600              | 8                          | 72               |
| <b>Total</b> | <b>1,415,300</b>     | <b>50</b>                  | <b>400</b>       |

Source: National Population Commission, 2024

Note: We obtained additional four responses from Kanke LGA to meet up with sample size.

### 3.5 Methods of Data Analysis

The method for data analysis collected through questionnaire was simple percentage and mean. The formula is as shown below:

$$\text{Percentage} = \frac{\text{Frequency count}}{\text{Total count}}$$

This was used to calculate the percentage of responses by the respondents based on 5 Likert scale. As earlier noted, the instrument used for data collection is essentially a structured questionnaire. The questionnaire was divided into two sections: Section (A) contained personal data of the respondents while section B contained questions related to nonfarm income and employment prepared in Likert scale format.

Table 3.2 Likert Scale Range Classification

| Agreement         | Range       | Classification |
|-------------------|-------------|----------------|
| Strongly disagree | 1.00 - 1.80 | Negative       |
| Disagree          | 1.81 - 2.60 | Negative       |
| Neutral           | 2.61 - 3.40 | Neutral        |
| Agree             | 3.41 - 4.20 | Positive       |
| Strongly Agree    | 4.21 - 5.00 | Positive       |

## 4.0 Results and Discussion

### 4.1 Information on Demography of the Study

The demographics of the participants are presented in Table 4.1. Of the total respondents, participants within the age group of 36 - 45 constituted the majority (27.5%), which is closely followed by age group 56 and above (27.0%). The rest of the respondents are composed of 23.8% of people within the age bracket of 26-35; 18.3% and 3.5% for those within 18-25 and 45-

55, respectively. Moving further, it was shown that the respondent almost matching: (50.3%) and 49.7 males and females, respectively. This perhaps has to do with interest of both genders to participate in other activities, aside farming.

Considering marital status and response of the participants, the married turned out with the highest percentage (45.8%). The Single, Divorced, widow and widower respondents had 27.3%, 12.0%, 7.5% and 7.5%, respectively. Perhaps, the married considers nonfarm employment as a key and supportive source of income to their families. In terms of the nature of participants' occupation, while hair dressing, trading, tailoring and shoe making turned with 17.8%, 23.8%, 17.3% and 12.5% respectively; other nonfarm employment activities turned out with the highest percentage (28.5%).

On family size, family of 6 and above turned out with the highest percentage (32%). The family of 4, 2, 5 and 3 have 25.6%, 14.4%, 13.8% and 13.5%, correspondingly. It is safe to assert that the size of household tends to explain the willingness to engage in nonfarm employment in the Plateau Central District of Plateau state.

Table 4.1: Information on Demography

| Age                   | Frequency | Percentage |
|-----------------------|-----------|------------|
| 18-25                 | 73        | 18.3%      |
| 26-35                 | 95        | 23.8%      |
| 36-45                 | 110       | 27.5%      |
| 46-55                 | 14        | 3.4%       |
| 56 and above          | 108       | 27.0%      |
| <b>Sex</b>            |           |            |
| Male                  | 199       | 50.3%      |
| Female                | 201       | 48.7%      |
| <b>Participation</b>  |           |            |
| Yes                   | 337       | 84.3%      |
| No                    | 63        | 15.8%      |
| <b>Marital Status</b> |           |            |
| Married               | 183       | 45.8%      |
| Single                | 109       | 27.3%      |
| Divorced              | 30        | 7.5%       |
| Widow                 | 48        | 12.0%      |
| Widower               | 30        | 7.5%       |
| <b>Occupation</b>     |           |            |
| Hair Dressing         | 71        | 17.8%      |
| Trading               | 95        | 23.3%      |
| Tailoring             | 69        | 17.3%      |
| Shoe Making           | 51        | 12.8%      |

|                    |     |       |
|--------------------|-----|-------|
| Others             | 114 | 28.5% |
| <b>Family Size</b> |     |       |
| 2                  | 58  | 14.4% |
| 3                  | 54  | 13.5% |
| 4                  | 105 | 26.6% |
| 5                  | 55  | 13.8% |
| 6 and above        | 128 | 32.0% |

Source: Field Research, 2024

## 4.2 Estimated Results and Interpretation

To address the research questions, several sub-questions were raised (See Appendix for questionnaires). Therefore, a systematic format and item by item analysis is used to evaluate the results obtained.

Starting with the first item or question in Table 4.2, while 30% and 10% of the rural households respectively agreed and strongly agreed that they have access to capital for nonfarm employment; a higher percentage of 30.5% and 16.3% strongly disagreed and disagreed that they have access to capital. About 10.5% remained neutral in their opinion.

When asked as to whether infrastructural facilities are in place that could ease their daily operations, 29.3% and 19.8% of rural dwellers strongly disagreed that infrastructural facilities are adequate. This suggests that infrastructural deficit is a great challenge. While 25.0%, 18.3% and 7.8% respectively stay put neutral, agreed and strongly agreed that infrastructure is adequate.

On whether participants in nonfarm employment do have information about other sources of income apart from what they do; largest percentage (23.5%) of rural dwellers strongly asserted that they do not have sufficient information about other sources of income, while 19.8% concurred with the preceding outcome. 25.0%, 18.3% and 7.8% remained neutral, agreed and strongly agreed that they often have information about other sources of income in their communities.

Table 4.2: Access to Capital for Nonfarm Employment Activities

|  | Strongly Disagree (%) | Disagree (%) | Neutral (%) | Agree (%) | Strongly Agree (%) |
|--|-----------------------|--------------|-------------|-----------|--------------------|
| I have access to capital                     | 30.5                  | 16.3         | 10.5        | 30.0      | 10.0               |
| Infrastructures are in place in my community | 29.3                  | 19.5         | 25.0        | 18.3      | 7.8                |
| information about other sources of income    | 23.5                  | 15.3         | 19.8        | 29.3      | 12.3               |

Source: Field Research, 2024

Moving further, questions were asked to find out whether the operating environment promotes nonfarm activities. The first aspect of this question sought to uncover whether viability of macroeconomic environment particularly, security, is conducive in their communities for operations. From Table 4.3, 19.8% and 12.3% strongly disagreed and disagreed on the crisis-free operating community. 29.5%, 23.5 and 15.0 of the respondents strongly agreed, agreed and remained neutral, respectively that the rural communities are often secured for business transaction.

Table 4.3: Macroeconomic Environment in Relation to Nonfarm Employment and Income

|   | Strongly Disagree (%) | Disagree (%) | Neutral (%) | Agree (%) | Strongly Agree (%) |
|---|-----------------------|--------------|-------------|-----------|--------------------|
| The economic environment security is conducive for operation          | 19.8                  | 12.3         | 15.0        | 23.5      | 29.5               |
| Effects of macroeconomic factors on Nonfarm employment                | 26.5                  | 25.0         | 12.8        | 15.5      | 20.3               |
| Nonfarm activities easily adapt to changing macroeconomic environment | 15.5                  | 15.8         | 25.3        | 20.8      | 22.8               |

Source: Field Research, 2024

Macroeconomic factors such as inflation, exchange rate, interest rate tend have some implications for nonfarm employment in rural communities. Whereas, 26.5% and 25% strongly disagreed and disagreed that macroeconomic variables do not exert influence on nonfarm employment; 20.3% and 15.5% believed that they do have some effects. 12.8% of the respondents were indifferent on this.

On adaptation to macroeconomic environment, majority of the respondents (22.8%) and 20.8% strongly agreed and agreed that nonfarm employment quickly adapts to changing macroeconomic conditions. 15.5% strongly disagreed, 15.8% disagreed and a large population of 25% remained neutral.

The research also sought to find out the implications of cultural and social norms/traditions on nonfarm employment in the study area. Majority (32%) of the respondent from Table 4.4 strongly agreed and agreed (27.5%) that cultural affinities as well as social norms do influence their decisions to engage in nonfarm employment activities. In as much, 21.5% remained



neutral, only insignificant population (9.8%) strongly disagreed and 8.8% disagreed that the variables could have any affect.

Similarly, gender was found to affect decisions to engage in nonfarm employment. The majority (43.5%) of the participants strongly agree that gender is an important variable in making decision to venture non-traditional employment enterprises. Another social variable - religious belief was examined. 29.5% and 8.0% were positive that religion plays an important role in participating in non-agricultural activities.

Table 4.4: Cultural and Social Norms, Nonfarm Employment and Income

|   | Strongly Disagree (%) | Disagree (%) | Neutral (%) | Agree (%) | Strongly Agree (%) |
|---|-----------------------|--------------|-------------|-----------|--------------------|
| Cultural Affinity/Social Norms influence our decisions to engage on what we do          | 9.8                   | 8.8          | 21.5        | 27.5      | 32.5               |
| Gender plays a role significant role in the choice of Nonfarm employment in rural areas | 14.5                  | 5.30         | 11.0        | 25.8      | 43.5               |
| Religious Beliefs and traditions affects the Nonfarm employment opportunities           | 25.5                  | 35.3         | 1.80        | 29.5      | 8.00               |

Source: Field Research, 2024

One key question on the reasons to participate in nonfarm jobs was asked. It was strongly agreed (40.8%) and agreed (35.5%) that the desire to supplement conventional income is a reason for engaging in nonfarm employment (See Table 4.5). The rest of the respondents felt otherwise. In the same vein, the majority of the respondents (52.8%) and 25% strongly agree and agree respectively that the burden of family size and economic pressure are significant determinants in the decision to participate in non-traditional employment. While 5.8% remained neutral, 1.8% and 14.8% of the rural household strongly disagree and disagree that family size is immaterial. To corroborate the above position, 48.5% and 31% believed that it could be an additional source of household income. The minority opined differently.

Table 4.5: Reasons for Participation in Nonfarm Employment

|  | Strongly Disagree (%) | Disagree (%) | Neutral (%) | Agree (%) | Strongly Agree (%) |
|--|-----------------------|--------------|-------------|-----------|--------------------|
| To supplement household income                       | 1.8                   | 12.3         | 9.8         | 35.5      | 40.8               |
| Nonfarm employment is a viable source of income      | 1.8                   | 11.3         | 7.50        | 31.0      | 48.5               |
| To ease burden of family size and economic pressures | 1.8                   | 11.3         | 7.50        | 31.0      | 48.5               |

Source: Field Research, 2024

The research equally raised questions surrounding obstacles or constraints to nonfarm employment in rural areas. The respondents largely affirmed the existence of obstacles to nonfarm employment. From Table 4.6, about 37% and 18% strongly agree and agree on the presence of constraints to nonfarm activities. 25% sat on the fence; 4.3% and 15.8% strongly disputed and disputed the claim. Similarly, lack of skills such as business, managerial, marketing, technical etc was found to strongly (45%) affect the establishment and growth of nonfarm employment in rural communities. While 24% concurred with the above, 18%, 11.3% and 1.8% respectively remained neutral, disagreed and strongly disagreed with the statement.

Table 4.6: Constraints to Nonfarm Employment and Income

|  | Strongly Disagree (%) | Disagree (%) | Neutral (%) | Agree (%) | Strongly Agree (%) |
|--|-----------------------|--------------|-------------|-----------|--------------------|
| There are obstacles that mitigate the pursuance of nonfarm employment opportunities in the community | 4.3                   | 15.8         | 25.0        | 18.0      | 37                 |
| There are factors that affect our decisions to participate in nonfarm employment opportunities       | 2.5                   | 8.8          | 20.3        | 28.5      | 40.0               |
| Lack of skills affect the establishment and growth of non-farm employment                            | 1.8                   | 11.3         | 18.0        | 24.0      | 45.0               |

Source: Field Research, 2024

The importance of public awareness and training on nonfarm activities was asked. From Table 4.7, 39.8% and 26.5% strongly disagreed and disagreed that they know of some nonfarm employment policies in their communities. While 20.3% are neutral, 11% and 2.5% agreed and strongly agreed that they are well informed of various policies available around them.

When asked as to whether infrastructural facilities are in place that could ease their daily operations, 29.3% and 19.8% of rural dwellers strongly disagreed that infrastructural facilities are adequate. While 25.0%, 18.3% and 7.8% respectively stay put neutral, agreed and strongly agreed that infrastructure is sufficient.

On skills, 80% (i.e. 41% plus 39%) concurred that skill is important for a successful nonfarm venture. The rest are either neutral or disagreed. In addition, 23% and 23.5% strongly and disagreed respectively that they have access to information about job opportunities in the communities. About 51.5% asserted that they have ever participated in a nonfarm employment training programs or workshops in the areas. 21.1% disagreed, 17.3% strongly disagreed and 9.8% chose to be unbiased. Moving further, 32.5% strongly agreed; 34% agreed to welcome any training programme on nonfarm employment in their communities while 15.3% remain neutral. Only 7.8% and 10.5% strongly disagreed and disagreed that they would not welcome training opportunities in their areas.

Table 4.7: Role of Awareness and Training on Non Farm Employment and Income

|   | <b>Strongly Disagree (%)</b> | <b>Disagree (%)</b> | <b>Neutral (%)</b> | <b>Agree (%)</b> | <b>Strongly Agree (%)</b> |
|---|------------------------------|---------------------|--------------------|------------------|---------------------------|
| I know of some nonfarm employment policies in the community                                   | 39.8                         | 26.5                | 20.3               | 11.0             | 2.50                      |
| We need skills or training to participate in nonfarm activities                               | 1.8                          | 5.3                 | 12.8               | 39.0             | 41.3                      |
| We access information about job opportunities in the community                                | 23                           | 23.3                | 12.8               | 14.0             | 27.0                      |
| Ever participated in a nonfarm employment training programs or workshops                      | 17.3                         | 21.5                | 9.8                | 31               | 20.5                      |
| I will be pleased to participate in a nonfarm employment program if presented in my community | 7.8                          | 10.5                | 15.3               | 34               | 32.5                      |

Source: Field Research, 2024

Concluding this part as could be seen in Table 4.8; 38% and 43.5% strongly agreed and agreed, respectively that nonfarm employment can contribute to economic progress of the community. Insignificant respondents thought otherwise. In addition to the above, 39% and 41.3% respondents strongly affirmed and agreed respectively that their income levels have improved as a result of participation in nonfarm employment. Only 1.8% and 12.8% strongly disagree and disagree on the preceding opinion while 5.3% remained neutral.

About 38.8% and 43.5% are positive that nonfarm employment could reduce idleness and 49.5% and 28.3% strongly agreed and agreed that nonfarm employment is viable opportunity to engage productive activities after retirement.

Table 4.8: Significance of Nonfarm Employment and Income in Rural Communities

|   | <b>Strongly Disagree (%)</b> | <b>Disagree (%)</b> | <b>Neutral (%)</b> | <b>Agree (%)</b> | <b>Strongly Agree (%)</b> |
|---|------------------------------|---------------------|--------------------|------------------|---------------------------|
| Nonfarm employment and economic progress  | 5.8                          | 8.8                 | 4.0                | 43.5             | 38.0                      |
| Income level has changed over the years from my involvement in nonfarm employment   | 1.8                          | 12.8                | 5.3                | 39.0             | 41.3                      |
| Nonfarm employment reduces idleness, redundancy and joining evil group associations | 4.3                          | 6.0                 | 7.5                | 43.5             | 38.8                      |
| Nonfarm activities provide opportunity for employment after retirement              | 4.3                          | 3.5                 | 14.5               | 49.5             | 28.3                      |

Source: Field Research, 2024

#### 4.3. Discussion of Research Outcomes

At this point, the study carries out the discussion of research findings based on the objective of the study.

### 4.3.1 Types of nonfarm employment activities in Plateau Central Nigeria

The nature of nonfarm employment activities engaged by rural households in Plateau Central District, Nigeria shows that while hair dressing, trading, tailoring and shoe making turned out with 17.8%, 23.8%, 17.3% and 12.5% respectively; other nonfarm employment activities turned with the highest percentage (28.5%). It is interesting to note that Plateau Central tends to have several nonfarm ventures that were not directly captured in the questionnaires. Phone repairs, mechanical and electrical work, transportation, hospitality, woodwork, craftsmanship, traditional healing services, everyday labour, land sales, public and civil service, etc. are a few of these activities. It makes sense that there are a lot of other activities. The micro-small businesses that are the result of economic development and expansion in rural communities are represented by the rural nonfarm sector. This covers a wide range of agro-business ventures, agro-processing, small-scale industrial production, trading, skilled and unskilled services, and other opportunities found in rural areas.

The aforementioned is comparable to Davis, Giuseppe, and Zezza's (2017) general conclusion that non-agricultural wage labour and incomes from non-agricultural businesses accounted for roughly 53% of rural African households' total household income. Ogbanje et al. (2015) also confirmed that the majority of rural households make their living from self-employment and Nonfarm sources. Batool (2017) provided additional support for this claim by stating that the majority of diversified farm families diversify their sources of income by working mostly in off-farm self-employment, such as construction, transportation, small manufacturing factories, and agricultural wage labour to protect themselves from risk and the uncertainties associated with agricultural production

### 4.3.2 Socio-economic factors that influence nonfarm employment in the study

The ever-increasing economic pressures and family burden on household income are key factors motivating Plateau Central households to engage in non-agrarian activities. From Table 4.5, majority of the rural household submits that nonfarm is a supplementary source of income; hence their participation. As pointed out by Obinna and Onu (2017), insufficient income derived from farm enterprises compels households in rural African societies to engage in off farm activities to supplement income. This is largely to lessen the persistent risk intrinsic in income from agricultural employment. In addition, Nagler and Naudé (2017) contended that the upsurge in nonfarm activities is probably due to the renew level of development in rural areas of Nigeria particularly since the advent of democratic governance in 1999, which has brought about significant transformation in social amenities in several rural areas. This has provided favourable economic conditions that increase entrepreneurship opportunities in the rural areas. The World Bank (2008) had earlier claimed that rural farmers are frequently shut out of lending programs that are essential to the expansion of small and medium-sized businesses. This is a result of their inability to fulfill the requirements necessary to obtain such financial institution facilities. For their financial needs, rural households thus rely significantly on unofficial lenders. Several scholars contend that microcredit can have a variety of positive effects on rural development and poverty reduction by enabling small-scale farmers, the landless and rural women to earn a living from farming and other Nonfarm activities. Numerous factors, including insecurity, small farm sizes, low agricultural returns, and capital accessibility, may contribute to the high rate of Nonfarm employment.

Adding to the above, the burden of family size is seen as a contributory factor in deciding whether to participate in nonfarm activities or not. Religious belief, cultural affinity, social

norms and traditions have been found as determining factors in engaging in nonfarm ventures in Plateau Central, Nigeria.

### 4.3.3 Nonfarm employment and its effect on household income

From the estimated outcome of the research, it was found that nonfarm employment largely contributed to the improvement in income and welfare of participants under study. This could be through improving stability of income levels since agricultural employment and income are subject to changing and unpredictable climatic conditions. This is due to the fact that nonfarm activities help households in regions with poor agro-climates, manage risk and deal with sporadic, significant drops in agricultural productivity.

Sheyin (2016) demonstrated that off-farm rural employment is essential to alleviating rural poverty and securing a sufficient living for smallholder and landless agricultural labourers' households during years when non-agricultural employment increases. According to IFAD (2012), nonfarm sector income could help small farm households become hunger-free and that these people can benefit from globalization and stay out of poverty through well-managed "monetization." This could also be good source of easing economic pressure occasioned by soaring inflation in the country. Note that inflation has risen from 15% in 2015 to about 33% in first quarter of 2024, with cost of farm inputs, particularly, fertilizer is more than doubled. Without additional sources of income, rural folks would find survival a great challenge.

The results indicated that nonfarm employment is a veritable avenue that many people would be gainfully employed and reduce idleness, particularly the youths who often find agriculture somewhat unattractive. Therefore, engaging in fruitful ventures such as fashion designing, phone repairs, transportation, beauty care among others, could significantly assist in taking the youths off the streets.

One notable finding of this study is the connection between agricultural employment and nonfarm employment after retirement from government or private sector employment. Participants perceived non-agricultural employment as an opportunity for doing something productive. Therefore, it would not be out of place to conclude that participation in this kind of unconventional activities would increase the health statuses and longevity of the retirees in the rural areas and contribute to economic growth of communities and the nation at large.

## 5.0 Conclusion and Recommendations

In this study, the contribution of nonfarm employment to rural income is analyzed. The nature and types of on farm employment, reasons for participation, significance and barriers to this source of nonfarm employment are explored with the help of descriptive statistics. Four main conclusions surfaced from the research findings. First, Plateau Central rural communities engaged in plethora of non-agricultural enterprises. Second, the need to supplement the primary source of income; ease economic burden occasioned by family size, overcome unpredictability of agricultural returns were found as key reasons that often propel people to participate or engage in nonfarm employment. Third; lack of access to credit facilities, lack of information on nonfarm employment training and policy, hostile macroeconomic environment often militates against participation in nonfarm employment. Last but not the least, the nonfarm sector's contribution to rural residents' total income and employment is rising and is regarded as a true driver for economic development and expansion.

### 5.1 Policy implications

Depending on the outcome of the study, the researchers drew the following policy recommendations:

- i. Creation of agricultural value chains. Given that the state is an agrarian state, there is the need to establish small scale processing units for fruits, potatoes, grains etc to produce value added products like juices, potato chips, flour and Jams.
- ii. Encourage investments in packaging and branding enterprises. This will create additional opportunities for the youths in off farm enterprises.
- iii. Market access: Facilitate access to markets for artisans through exhibitions and fairs
- iv. Government initiatives. The need to invest in infrastructure. The usual five kilometer road project in the state should be directed to the rural areas.
- v. Government should regularly train youths on skill development programmes, especially vocational (Fashion design, phone repairs, marketing, online trading, digital skills etc).
- vi. Provide incubation centres for mentorship, networking opportunities and shared equipment for new businesses.
- vii. The need for regular dissemination of relevant information and training to rural dwellers on nonfarm employment opportunities is important. Workshop centres, development associations and careers centres of tertiary institutions could assist in this. Similarly, regular publishing of information in Plateau Standard Newspapers, PRTVC, pamphlets would be appropriate
- viii. Access to credit. The need to make available credit to nonfarm employment participants will be helpful. Unavailability and inaccessibility to credit was identified as key barrier to nonfarm employment.
- ix. Enhancing the stability of macroeconomic environment is important. Addressing banditry, ethno-religious crisis and other forms violence would be helpful.

## REFERENCE

- Ackah, C. (2013). Nonfarm employment and incomes in rural Ghana. *Journal of International Development*, 25(3), 325-16. <http://doi.org/10.1002/jid.1846>
- Anang, B.T., & Apebo, C.K (2023). Awoyemi, T. T. (2004). The influence of off-farm work on farm income among smallholder farm households in northern Ghana. *Cogent Economics & Finance*, 11(1).
- Barrett, C. B., Reardon, T., & Webb, P. (2001). Nonfarm income diversification and household livelihood strategies in rural Africa: Concepts, dynamics, and policy implications. *Food Policy*, 26(4), 315-331.
- Batool, S., Babar, A., Nasir, F. and Iqbal, Z.S. (2017). Income Diversification of Rural Households in Pakistan. *Int J Econ Manag Sci*, 6(6): 466. DOI: 10.4172/2162-6359.1000466
- Broeck, V., & Kilic, T. (2018). Dynamics of off-farm employment in Sub-Saharan Africa: A gender perspective. World Bank Group Policy Research Working Paper. 8540
- Davis, J. R. (2003). The rural Nonfarm economy, livelihoods and their diversification: Issues and options. Natural Resources Institute Report.
- Davis, B., Giuseppe, S.D. and Zezza, A. (2017). Are African households (not) leaving agriculture? Patterns of households' income sources in rural Sub-Saharan Africa. *Food Policy*, 67, 153- 174. <https://doi.org/10.1016/j.foodpol.2016.09.018>

- Diao, X., Hazell, P., Resnick, D., & Thurlow, J. (2010). The role of agriculture in development: Implications for Sub-Saharan Africa. IFPRI Research Monograph.
- Ellis, F. (1998). Household strategies and rural livelihood diversification. *The Journal of Development Studies*, 35(1), 1-38.
- Haggblade, S., Hazell, P., & Reardon, T. (2010). The rural Nonfarm economy: Prospects for growth and poverty reduction. *World Development*, 38(10), 1429-1441.
- Hung, M.N, Nguyen, T. A, & Read, R. (2019). Investigating the determinants of household welfare in the central Highland, Vietnam. *Cogent Economics & Finance*, 7(1), 1684179.
- IFAD (2012). Promoting rural enterprise growth and development: Lessons from four projects in Sub-Saharan Africa: Enabling poor rural people to overcome poverty, April 2012
- ILO (2013b). National practices in the measurement of economically active population, employment, unemployment and time-related underemployment. International Labour Organization.
- ILO (2013a). Decent work indicators: Guidelines for producers and users of statistical and legal framework indicators. International Labour Organization.
- Kung, J. K., & Lee, Y. F. (2001). So what if there is income inequality? The distributive consequence of nonfarm employment in rural China. *Economic Development and Cultural Change*, 50(1), 19-46.
- Lanjouw, P., & Lanjouw, J. (2001). The rural Nonfarm sector: Issues and evidence from developing countries. *Agricultural Economics*, 26(1), 1-23.
- Nagler, P. and Naudé, W. (2017). Nonfarm entrepreneurship in rural sub-Saharan Africa: New empirical evidence. *Food Policy*, 67, 175-191.
- National Bureau of Statistics (NBS)(2010). National manpower stock and employment generation survey: Household and micro enterprise (informal sector).
- National Population Commission (2024).
- Obinna, L. O. and Onu, S. E. (2017). Contributions of Rural Women Entrepreneurs in Nonfarm and Off-Farm Enterprises of Households Poverty Reduction in Abia State. *Journal of Agricultural Extension*, 21(3), 143-151.
- Odozi, J.C, Ikhimalo, O.P., Awaebe, J., & Agbugui, M. (October, 2018). Employment in the Nigerian agricultural labour market: Barriers and forecast. SocArXiv Papers.
- Odozi, J.C, Ikhimalo, O.P., Awaebe, J., & Agbugui, M. (October, 2018). Employment in the Nigerian agricultural labour market: Barriers and forecast. SocArXiv Papers.
- Odozi, J.C, & Adeyonu (2021). Household level-level determinants of employment and earnings in rural Nigeria. *Cogent Economics & Finance*. 9(1)
- Ogbanje, E.C., Chidebelu, S.A.N.D. and Nweze, N.J. (2015). An Evaluation of Off-farm Work and Household Income among Small-scale Farmers in North Central Nigeria. *Journal of Agriculture and Sustainability*, 7(2), 227-244.
- Oseni, G., & Winters, P. (2009). Rural nonfarm employment and agricultural commercialization in Nigeria. International Food Policy Research Institute (IFPRI) Discussion Paper.
- Sheyin, E.A. (2016). Analysis of livelihood diversification strategies by farming households in Chikun and Zango Kataf Local Government Areas of Kaduna state, Nigeria. An M.Sc Dissertation submitted to the Department of Agricultural Economics and Rural Sociology, Ahmadu Bello University, Zaria.

World Bank (2008). World Development Report 2008: Agriculture for Development. World Bank Publication, BHANDARI.