

# Perceived Effects of Informal Economic Activities on Rural Women's Well-Being in Southwest, Nigeria

By

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**Abstract:** The study assessed the effect of rural women's involvement in Informal Economic Activities (IEAs) on their wellbeing in southwest, Nigeria. It specifically described the socio-economic characteristics of rural women, identified various IEAs rural women involved in, examined the level of their involvements and it's effects on their wellbeing. A multi-stage sampling procedure was employed to select 120 respondents. Data were collected through structured interview schedule and some were subjected to descriptive statistics such as frequency counts, percentages, mean, standard deviation and rank while correlation analysis was used to determine the effect of rural women's involvement in IEAs on their well-being. The results of the analysis show that the mean age of the respondents was  $40 \pm 8.9$ . Majority (87.5%) were married with the mean household size of  $6 \pm 2$ . The major IEAs rural women involved in were hawking of raw and cooked/roasted agricultural products such as maize, yam, processed products such bread, drinks, honey, plantain chips, plantain dodo, local honey, bottled palm oil etc. Food vending, petty trading, bush meat, snails, dried fish were included. The main constraints facing rural women in their involvement in IEAs were poor storage facilities ( $\bar{X}=2.76$ ), inadequate credit facilities ( $\bar{X}=2.72$ ) and lack of permanent sales points ( $\bar{X}=2.68$ ) among others. The results of correlation analysis showed a positive and significant relationship ( $r=0.160, p<0.05$ ) between rural women's involvement in IEAs and their wellbeing. It was recommended that government at all levels, private agencies and donors should come to the aid of these rural women financially by giving them loans through cooperative societies or social organizations to boost their involvements in IEAs for national development

**Keywords:** Informal Economic Activities, Rural Women's Well-Being, Southwest, Nigeria.

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## 1. INTRODUCTION

Informal economic activities comprise of units or businesses on a small scale, which are involved in the production of goods and services. These units or businesses are basically saddled with the objective of

generating employment and incomes to the individuals involved (Onyemaechi, 2013). Women, especially rural women are found engaged in one informal economic activity or the other. This is as a result of their limited

access to education, land properties, financial aids which could have earned them employment in the formal sector. Rural women activities mainly range from petty trading, vocational enterprises, handcrafts and farming to agro-processing. Almost all agricultural production and marketing activities including animal husbandry activities are performed by women. There is seemingly a good number of women in rural farming, processing and marketing. It is these income yielding in formal economic activities by women that make them indispensable in the process of rural development. There is however an observable change in the pattern of women's work in recent times as their participation is declining in agriculture but increasing in petty trading which according to Bryceson (2000) is called diversification out of agriculture.

Diversification is necessary and in farm families to generate income, keep a flow of income to combat the seasonality of primary agricultural production and also to cater for the urgent and important needs of life, hence improvement in the wellbeing of rural women and their families. This was supported by Bertulfo (2011) who noted that women contribute greatly to their family income, while supporting their husbands.

This shows that women's contribution in informal sector cannot be overstated as 84 percent of women were employed than 63 percent of men in the informal sector International Labour Organization(ILO) (2002).

### Statement of the Problem

The sustenance of wellbeing has been a critical issue in developing countries like Nigeria. This has been as a result of the dearth of employment in the formal sector for the growing population. The majority of rural women have limited access to education, landed properties, financial aids which could earn them employment opportunities in the formal sector. Also, the increasing need for family supports, low capital requirements and ease of entry have also made rural women engaged in the informal sector. A study conducted by the International Labour Organization(ILO), 2018 submitted that 60 percent of the rural women earns their livelihoods in the informal economy. Despite the involvement of rural women in southwest Nigeria in the informal sector, the majority of the same are still wallowing in poverty. Berger and Byvinie(2003) supported this submission through their arguments that inspite of the involvement of women in IEAs their well-being is being threatened.

Therefore, the study was conducted to proffer solutions to the following research questions:

- What are the socio-economic characteristics of rural women involved in informal economic activities in southwest, Nigeria;
- What are the IEAs rural women engaged in;
- What is the level of involvement of rural women in the IEAs in the study area; and
- What are the constraints to the involvement of

- rural women in IEAs.

### Objectives of the study

The main objective of the study is to access the effect of Informal Economic Activities(IEAs) on rural women's well-being in southwest, Nigeria.

The specific objectives are to:

- describe the socioeconomic characteristics of the rural women involved in IEAs in southwest, Nigeria;
  - identify the IEAs engaged in by the rural women;
    - i. determine the level of involvement of rural women in the IEAs; and
    - ii. identify the constraints to the involvement of rural women in IEAs.

Hypothesis(Ho): There is no significant relationship between the level of rural women's involvement in IEAs and their well-being.

### Methodology

The study was conducted in southwest, Nigeria which consists of Ekiti, Ondo, Osun, Ogun, Oyo and Lagos states. The population of the study is all rural women that are involved in IEAs. A multi-stage sampling procedure was employed to select respondents for the study. One third of the states in southwest, Nigeria were randomly sampled for the study. The second stage involved a random selection of two local Government Areas(LGAs) from each of the states selected for the study, while the third stage involved the random selection of three rural communities from each LGA selected. At the final stages, ten rural women were purposively sampled based on those that were engaged in IEAs from each rural community selected. Thus a total of one hundred and twenty rural women(120) were selected for the study. Structured interview schedule was used to collect relevant quantitative data on rural women's socio-economic characteristics, different IEAs rural women involved in, level of rural women's involvement in IEAs, constraints encountered by the rural women's involvement in IEAs. Data collected were summarized using descriptive statistics such as frequency counts, percentage, mean, standard deviation and Likert-type scale. Pearson Moment Products Correlation Coefficient was used to determine the relationship between rural women's involvement in IEAs and their well-being.

### Measurement of Variables

#### Independent Variables

Age was measured in years, religion and marital status were coded for they are nominal variables. Household size was categorized based on the number of persons living together in a household. Educational level was also categorized. Annual income was measured

in Naira. Primary occupation, and sources of credit were coded. The involvement of rural women was measured through their responses to the list of IEAs given for the respondents to indicate. The rural women's level of involvement was subjected to a 3-point Likert scale of Never Involved (NI)1, Partially Involved(PI)2, and Fully Involved(FI)3. The total score per respondents was calculated while the mean score are used to categorise involvement in IEAs to low moderate and high. The well-being of our women as a result of their involvement in

IEAs was measured using four point likert type scale of never (1) little (2) much (3) and very much (4) on some indicted of the effect of IEAS on wellbeing. These are access to health. Better housing. Food security. Quality education. Increase job opportunities, increase income e.t.c

## RESULTS AND DISCUSSION

The results in the Table one show that 36.7

**Table 1: Distribution of respondents based on selected socio-economic Characteristics**  
(n= 120)

Socio economic characteristics	Frequency	Percentage	Central tendency
<b>Age (in year)</b>			
≤ 30	26	21.7	
31-40	44	36.7	$\bar{X}=40$
41-50	33	27.5	
51 and above	17	14.2	SD=8.9
<b>Religion</b>			
Christianity	83	69.0	
Islamic religion	37	31.0	
<b>Marital status</b>			
Married	105	87.5	
Divorced	03	2.5	
Single	05	4.2	
Widow	07	5.8	
<b>Household size</b>			
≤5	67	55.8	
6-8	50	41.7	$\bar{X} = 6$
>8	03	2.5	SD = 2
<b>Level of education</b>			
No Formal education	21	17.5	
Primary education	29	24.2	
Secondary education	48	40.0	
Tertiary education	02	1.7	
<b>Primary occupation</b>			
Farming	18	15.0	
Petty trading	60	50.0	
Civil Service	05	4.2	
Artisan	37	30.8	
<b>Sources of credit</b>			
Personal contribution/ savings	09	7.5	
Friends/family	23	19.2	
Cooperative Societies/Group Contribution	50	41.7	
Banks/financial institutions	10	8.3	
Government Assistance	28	23.3	
<b>Annual Income</b>			
≤ 100,000	41	34.2	
101,000 - 200,000	60	50.0	$\bar{X}= \#230,447.99$
201,000 - 400,000	07	5.8	SD = $\#102,717.49$
401,000 – 500,000	04	3.3	
>500,000	08	6.7	
<b>Membership of social Organizations</b>			
Cooperative group	44	36.7	
Community Development Association	29	24.2	
Religious group	21	17.5	
Political group	09	7.5	
Social group	15	12.5	
Trade union	02	1.7	

Source: Field Survey, 2023

of respondents were between the age bracket of 31 and 40 years with the mean age of 40 years and the standard deviation 8.9. This implies that the rural women who were involved in informal economic activities (IEAs) are young and they are in their active age. The findings is in line with the finding of oduh et al, (2011) that the dominant age in the Nigeria informal sector workforce accounting for 50% is between the age of 20 and 40 years. A large percentage of the respondents (69.0%) practised Christianity why 31.0% practised Islamic religion majority of the respondents (87.5%) were married it could be inferred that the majority of the rural women were expected to be responsible women on the basis of their marital status. Majority of the respondents (55.8%) had less or up to five members in their households while 41.7 percent had six to eight person as their household sizes with an average household size of 6 and standard deviation of 2.0. The household size of rural woman was relatively high. This implies that family members could serve as insurance against shortfalls in the labour supply. The results further revealed that majority (67.9%)of the respondents had one form of education or the other, ranging from primary school education to tertiary education. This implies that the 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 major primary occupation of the respondents was petty trading as indicated by precisely half (50%) of the respondents. Furthermore, the major source of credit was through cooperative societies/

group contribution as indicated by 41.7 percent of the respondents. This shows that forming rural women in to different cooperative groups would help in raising credit for them to engage in rural enterprises. Other sources of credit to respondents were government assistance (23.3%), friends and family (19.2%), 8.3 percent of respondents sought financial assistance from banks/financial institutions and few (7.5%) of respondents got credit through personal savings. The results from Table 1 indicate that half (50.0%) of the respondents had between #101,000 and #200,000 per annum while 34.2 percent of the respondents had less or up to #100,000 per annum with the mean annual income of #230,447.99 and standard deviation of #102, 717.49. The result reveals that the respondents' annual income was generally low. The implication of this finding is that rural women generally lack assets and skills and were unable to invest in high income-generating activities. The study also revealed that rural women belonged to different social organizations with majority (36.7%) of respondents in cooperative groups. About 24.2 percent of respondents were in community development association why 17.5 percent belonged to Religious group. Other social groups which respondents belonged to were social club 12.5% political group 7.5% and trade union 1.7%. Membership of various group which respondents belong might have probably helped in facilitating their accessibility to different resources including funds which promote IEAs. The results in Table 11 through show different IEAs which

**Table II: Distribution of respondents according to the informal economic activities they were involved.**

<b>Informal economic Activities</b>	<b>Frequency</b>	<b>Percentage</b>
Selling farm produce (roasted / cooked yam, maize)	38	31.7
Hawking (locust beans, frying plantain soft drinks etc)	63	52.5
Selling charcoal	07	5.8
Fish frying/grilling	08	6.7
Food vending	42	35.0
Petty trading	32	26.7
Selling bush meat/snail	23	19.2
Local hairdressing (idiri)/barbing	20	16.7
Sale of palm wine /honey	18	15.0
Arts and crafts works	06	5.0
Local soap making	04	3.3
Tailoring/sewing/ fashion designing	04	3.3

Source: Field survey, 2023  
Multiple responses were given

rural women involved themselves in. More than half (52.5%) of the respondents involved in hawking on the major roads passing through their communities. Such products they did sell were Locust beans, plantain chips, plantain "dodo", soft drinks, local honey, oil palm e t c. Other major activities that are informal that rural women involved in were food vending (35.0%), petty trading in bread, biscuits, sweets etc (26.7%) selling of roasted yam roasted and cooked meals cause was the activities of 31.7% of the respondents 19.2% engaged in selling of bush meat, snail, dried fish, 16.7 percent involved in local

hairdo, barbing while 15.0 percent were into sales of palm wine, local honey, Few rural women were fully involved in arts and crafts works (5.0%) local soap making (3.3%) and tailoring/sewing designing of cloths (3.3%). The findings is in tandem with the finding of onwe (2013), that majority of the informal economic activities workers in Nigeria are into non-manufacturing activities such as trading, saloons and restaurants etc.

Table III shows the rural women's level of involvement in IEAs in the study area. The result shows that rural women had high level of involvement in IEAs

**Table III:** Mean distribution of respondents according to their level of involvement in Informal Economic Activities (IEAs).

IEAs	Level of involvement Mean ( $\bar{X}$ )	Rank
Hawking (frying plantain, locust beans, soft drinks etc)	2.10	1 <sup>st</sup>
Selling of farm produce (road side) such as raw yam, maize, walnut, bitter kola etc	1.90	2 <sup>nd</sup>
Food vending (cooked foods)	1.82	3 <sup>rd</sup>
Petty trading (biscuits, sweets, wear like pants, singlets, etc)	1.80	4 <sup>th</sup>
Sales of bush meats (including snail, crayfish etc)	1.73	5 <sup>th</sup>
Local hairdressing/barbing	1.65	6 <sup>th</sup>
Sales of palm wine, palm oil, honey etc	1.62	7 <sup>th</sup>
Fish frying / grilling	1.38	8 <sup>th</sup>
Selling of firewood/charcoal	1.30	9 <sup>th</sup>
Arts and craft works	1.20	10 <sup>th</sup>
Local soap making	1.08	11 <sup>th</sup>
Fashion designing/tailoring	1.08	11 <sup>th</sup>

**Source:** Field survey, 2023

Mean = 1.60

Standard deviation = 0.6

such as hawking of consumable items like plantain chips, locust beans, soft drinks, etc with a mean score of  $\bar{X} = 2.10$  followed by the sales of raw farm produce such as yam, maize, bitter kola, walnut with the mean ( $\bar{X}$ ) of 1.90. Other activities where rural women had high level of involvement are food vending (M = 1.82), petty trading (M = 1.80), sales of bush meats (M = 1.73), local hairdressing/barbing (M = 1.65), and sales of palm wine, palm oil and honey (M = 1.62). However, rural women had

low level of involvement in the following IEAs with the mean scores below the overall mean score, these activities are: fish frying/grilling (M = 1.38), sale of firewood/charcoal (M = 1.30), arts and crafts works (M = 1.20), local soap making and fashion designing/tailoring having mean ( $\bar{X}$ ) score of 1.08

The results in Table IV shows that the major constraints to the involvement of rural women in IEAs

**Table IV:** Distribution of respondents according to the major constraints to the involvement in IEAs

Constraints	Mean ( $\bar{X}$ )	SD	Rank
Poor storage facilities	2.76	0.21	1 <sup>st</sup>
Inadequate fund/credit facilities	2.72	0.14	2 <sup>nd</sup>
Lack of permanent sale points	2.68	0.24	3 <sup>rd</sup>
Strong market competition	2.55	0.13	4 <sup>th</sup>
Seasonality of some economic activities	2.33	0.19	5 <sup>th</sup>

**Source:** Field survey, 2003

. Poor storage facilities came first with the mean score of 2.76 and standard deviation of 0.21 followed this closely was inadequate fund/credit facilities ( $\bar{X} = 2.72$ , SD= 0.14), This has made small scale businesses especially IEAs difficult to expand. The findings agrees with Fapounda (2014), who noted that women's lack of access to affordable credit hampers them from expanding their enterprises Other constraints encountered by rural women in their involvement in IEAs: are lack of permanent points of sales ( $\bar{X} = 2.68$ , SD= 0.24), potent market competition ( $\bar{X} = 2.55$ , SD= 0.13), and seasonality of some of the economic activities ( $\bar{X} = 2.33$ , SD= 0.19), Fapounda (2014) further noted 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 of correlation showed a positive and significant relationship ( $r=0.160$ ) between the rural women's involvement in IEAs and their wellbeing at  $P<0.05$ . This implies that the more rural women involved in one form of IEA or the other, the better their wellbeing. This finding corroborates the finding of Edirisinghe (2016) who noted that the informal economic activities among rural women has improved their wellbeing. This establishes the importance of the roles women play in the wellbeing of the family.

**Table V:** Correlation analysis showing the relationship between rural women's involvement in informal economic activities and their wellbeing

Variable	Correlation co-efficient (r-value)	p-value	Decision
Level of involvement in IEAs	0.160**	0.013	Significant

Source: Field survey, 2023

\*\*significant at  $p \leq 0.05$  level

## Conclusions and Recommendations

The study assessed the perceived effect of the involvement of rural women in informal economic activities on their wellbeing. It was found that rural women were involved in some informal economic activities mainly hawking of locust beans, frying plaintain, bread, soft drinks, food vending, selling of roasted and cooked yam and maize and petty trading among other informal economic activities. It was also found that the involvement of these rural women improves their wellbeing and that of the families. This establishes the importance of roles of women in the welfare and wellbeing of their families. However, rural women needs to overcome some challenges they were facing while involving in IEAs. These challenges were poor storage facilities, inadequate farm/credit facilities, lack of permanent sales points, strong market competitions, seasonality of some economic activities which affected their full involvements in the IEAs. Based on the findings of this study, the following recommendations were made:

- (i) There is the need for government particularly at the local level to come to the aid of these rural women by giving them credit facilities in the forms of loans so as to expand their economic activities
- (ii) In the light of the above, rural women need to form viable cooperative groups through which they can access funds from the government, financial institutions and other donor agencies.
- (iii) The local government in collaboration with the state and federal governments should endeavor to provide infrastructure such as sales points, storage facilities to encourage these rural women.

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