



ISSN Print: 2664-844X
ISSN Online: 2664-8458
IJAFS 2023; 5(2): 113-116
www.agriculturaljournals.com
Received: 09-08-2023
Accepted: 12-09-2023

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Assessment of barriers to livelihood diversification among commercial motor drivers in Ekiti State, Nigeria

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DOI: <https://doi.org/10.33545/2664844X.2023.v5.i2b.153>

Abstract

The research investigated the evaluation of obstacles to expanding sources of income among commercial motor drivers in Ekiti State, Nigeria. A total of 120 commercial motor drivers were selected for the study using a multistage sampling method. The data was collected through pre-tested questionnaires administered to the respondents. Subsequently, the collected data was subjected to analysis, employing both descriptive statistics and Tobit regression analysis. The findings of the study revealed that 65.7 percent of the commercial drivers were male, and approximately 46.7 percent fell within the age range of 21 to 30 years, with 61.3 percent of them being married. Furthermore, 54.2 percent of the commercial motor drivers had households consisting of 1 to 5 individuals. A significant majority of the respondents (60.83 percent) reported earning between ₦500,001 and ₦1,000,000 on annual basis. Moreover, the study highlighted the strategies adopted by the respondents, with 24.4 percent engaging in crop production as the most prevalent method for diversifying their livelihoods. The finding also revealed that sex, marital status, membership of cooperative society and land acquisition were the factors influencing the involvement of commercial motor drivers in livelihood diversification in the stud area while inadequacy of credit/ capital, poor asset base and fear of taking risk were the constraints preventing the commercial motor drivers from involving in livelihood diversification. Therefore, it is recommended that the government allocate adequate funds and loans to registered commercial driver associations. This will provide essential support for the livelihoods of the respondents as they go about their daily activities, alleviating the stress of financial uncertainty.

Keywords: Livelihood diversification, commercial motor drivers, Tobit regression

1. Introduction

Livelihood diversification refers to attempts by individuals and households to find new ways to raise incomes and reduce environmental risks. It includes both on and off-farm activities, which are undertaken to generate additional income to the main household agricultural activities through the production of other agricultural and non-agricultural goods and services or self-employment undertaken in small firms and other strategies undertaken to spread risk.

Livelihood diversification is becoming more rampant in Nigeria, presently, many teachers, civil servants and other government workers move from one office to the other selling different items during work hours to generate additional income while some farmers are commercial motorcyclists, bus conductors, night guards, on part time basis, shoe menders etc.

Livelihood diversification strategies have become important income generating activities for rural households in major developing countries. Although agriculture has remained the dominant livelihood strategy for more than 85% of rural labor force in Sub-Saharan countries (World Bank, 2007) [7], its productivity is one of the lowest and even showing a decreasing trend causing a decline in per capita cereal consumption Nandeewara Rao and Bealu (2015) [3]. Because of rapidly growing rural populations and declining farm sizes, the rural employment problem needed to be addressed there as well (World Bank, 2008) [8]. To this end, the important role of non-farm livelihood strategies to ensure livelihood security has been noted by many scholars (Workneh, 2006; Ansoms and McKay, 2010; Soltani *et al.*, 2012, Assan and Beyene, 2013) [9, 1, 5, 9].

Livelihood diversification smoothers risks associated with traditional agriculture, all households, and social groups do not have equal opportunities for engagement. Different factors such as experience, family size, educational attainment, level and physical assets of households can affect participation in diversification activities. Intensity of diversification is affected by the size of land holdings, value of livestock owned and level of income from crop production. It can also be pointed out that demographic factors, such as the age and gender of the household head, dependency ratio and number of female household members are determinants of participation. Supporting this, the meaning and reason for livelihoods diversification is different for rich and poor households and for the households headed by women and men. This indicates that livelihood strategies and diversification are dynamic and sensitive to geographic, socio-economic and institutional settings which need area specific investigation. In addition, there were few studies on the challenges of rural livelihood diversification. This study therefore, will attempt to fill this gap by assessing and examining barriers to livelihood diversification among commercial drivers in Ekiti state.

2. Methodology

2.1 Study area: This research was carried out in Ekiti State, which is situated in the Southwestern region of Nigeria. Ekiti State, positioned in the tropical zone, was established on the 1st of October, 1996, and comprises 16 Local Government Areas (LGAs). It covers an approximate land area of 6, 602.8 square kilometers and had a population of 2, 432, 321 according to the National Population Census of 2006. Ekiti State is primarily an agricultural region, with key cash crops including cocoa, timber, oil-palm, and kolanuts. Food crops like cassava, yam, cocoyam, as well as grain crops such as maize and rice are also cultivated. In this area, men are predominantly engaged in farming, while women are primarily involved in trading activities. Even among the educated local residents employed in the formal sector, farming serves as a secondary occupation (Owoeye *et al.*, 2023) ^[4].

The State experiences two distinct seasons: the rainy season and the dry season. As of the 2006 National Population Census, Ekiti State had a population of 3,423,535. The region is mainly agrarian, with agriculture serving as the primary source of livelihood. Tree crops, including cocoa, mango, cashew, citrus, oil palm, and arable crops such as maize, yam, cassava, cocoyam, tomatoes, and various vegetables, are cultivated in the area.

2.2 Sampling technique and sampling size

A multi-stage sampling techniques was used. In first stage, three (3) Local Government Areas were selected purposively based on the population of commercial motor drivers (i.e., Ado, Ikere and Ikole LGA). In the second stage, two (2) commercial associations were chosen from each LGA. Lastly, twenty (20) commercial motor drivers were chosen, making the sample size to be one hundred and twenty (120) respondents.

2.3 Data collection: Primary data was collected through the aid of a well-structured open and close questionnaire which was used to collect quantitative data from the selected respondents to generate information on the general socio-economic conditions and extract barriers to livelihood

diversification among commercial motor drivers in Ekiti State.

2.4 Data analysis: The data collected was analyzed using descriptive statistics and Tobit regression analysis.

2.4.1 Descriptive statistics: Descriptive statistics such as frequency distribution, percentage and mean. The socio-economic characteristics of the respondents which included the age, marital status, literacy level, sex and family size were analyzed with this tool.

2.4.2 Tobit Regression Analysis

Tobit model was used to assess the factors influencing the involvement of commercial motor drivers in livelihood diversification in the study area.

This will be expressed as given in equation below;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \beta_8X_8 + \beta_9X_9 + \mu$$

Where;

Y = Level of involvement (measured by the number of livelihood options engaged in by the commercial drivers divided by the probable number of livelihood options available in the study area)

X₁ = Monthly income (₦)

X₂ = sex (Male = 1, Female = 0)

X₃ = Age of household head (years)

X₄ = Household size (number)

X₅ = Marital status = (single = 1 married = 2 divorced = 3)

X₆ = Educational status (years spent in school)

X₇ = cooperative membership (Yes = 1, No = 0)

X₈ = Access to loan (Yes = 1, No = 0)

X₉ = Mode of land acquisition (inheritance = 1, purchase = 2, lease = 3)

β₁ – β₁₀ = coefficient

μ = error term

3. Results and Discussions

3.1 Socio-Economic Characteristics of the Respondents

The findings presented in Table 1 offer insights into the socio-economic characteristics of the respondents within the study area. The results indicate that a significant portion, specifically 46.7% of the respondents, fell within the age range of 31-40 years. The average age of commercial motor drivers was 35 years, signifying that a substantial proportion of the respondents were relatively youthful adults, and they could be considered physically fit, active, and well-suited for the profession.

Furthermore, the results provide a breakdown of the respondents by gender, revealing that the majority (85%) were male. This suggests that a higher number of males were engaged in commercial motor driving in the area. The data further showed that 68.9% of the respondents were married, while only approximately 6.7% were divorced, 0.9% were widowed, and 31.1% were single. This implies that the majority of the respondents in the area were married couples. The analysis of household size revealed that a substantial majority (54.2%) of the respondents had households consisting of 1-5 members, followed by 26.7% with 6-10 members, and 15.0% with 11-15 members. Those with household sizes exceeding 15 were the least represented. In terms of educational background, the

analysis showed that a majority (57.5%) had attained secondary education, with 34.2% having primary education, and only about 8.3% possessing tertiary education. This indicates that most of the commercial motor drivers were literate and should, therefore, encounter no significant challenges in smooth running of the profession with other livelihood options.

Regarding annual income, the data indicated that the majority (60.8%) of the respondents realized between ₦1,000,001-₦2,000,000. This was followed by 22.5% realizing not more than ₦1,000,000, and 14.17% receiving between ₦2,000,001 – ₦3,000,000. The least represented group got more than ₦3,000,000, accounting for 2.5%. The mean income from commercial motor driving profession in the study area was ₦1,145,000. This is an indication that, though the profession is lucrative, there is still need to diversify or get engaged in other economic activities in order to cater for the pressing needs.

Table 1: Socio-economic characteristics of the respondents

Variables	Frequency	Percentage
Age (Years)		
≤ 21	3	2.5
21 - 30	56	46.7
31 - 40	17	14.2
41 - 50	36	30.0
> 50	8	6.6
Sex		
Female	18	15.0
Male	102	85.0
Marital status		
Single	37	30.8
Married	73	60.8
Divorced	8	6.6
Widowed	2	1.6
Household size		
1 -5	65	54.2
6 - 10	32	26.7
11 -15	18	15.0
> 15	5	4.1
Level of Education		
Primary	41	34.2
Secondary	69	57.5
Tertiary	10	8.3
Annual Income (₦)		
≤ ₦1,000,000	27	22.5
₦1,000,001 – ₦2,000,000	73	60.8
₦2,000,001 – ₦3,000,000	17	14.2
> ₦3,000,000	3	2.5

Source: Field Survey, 2023.

3.2 The major livelihood options available to the commercial motor drivers in the study area

In terms of the primary livelihood options adopted by the commercial drivers in the study, Table 2 provides insights. It is evident that 24.4% of them identified crop production as their preferred means for diversifying their livelihood, emerging as the most popular choice among the listed options. Following closely, 23.5% of the respondents engaged in livestock production as a strategy to diversify their sources of income, while 16.8% ventured into planting perennial fruits and vegetables.

Furthermore, the data indicates that 15.1% of the respondents participated in trading activities as a means of livelihood diversification. Additionally, 9.2% of the

respondents reported their involvement in rental services, either on a monthly or yearly basis, to diversify their livelihoods. A smaller proportion, 1.7%, practiced remittances as part of their livelihood strategies. Finally, the remaining 9.2% of the respondents pursued vocational jobs as their chosen approach for livelihood diversification.

Table 2: Distribution of the respondents by livelihood options

Variables	Frequency	Percentage
Crop production	29	24.4
Livestock Production	28	23.5
Perennial fruit and vegetables	20	16.8
Trading	19	15.1
Renting	11	9.2
Remittances	2	1.7
Vocational jobs	11	9.2

Source: Field Survey, 2023

3.3 Factors influencing the involvement of commercial motor drivers in livelihood diversifications

Table 3 provides insights into the factors that influence the participation of commercial motor drivers in diversifying their sources of livelihood, including sex, marital status, cooperative society membership, extension contacts, and land acquisition.

Regarding sex, the results demonstrate that the coefficient for the sex variable is statistically significant at a 1% level of significance, with a positive coefficient. This outcome suggests that sex plays a vital role in influencing the diversification of livelihoods among commercial motor drivers. In other words, male motor drivers are more likely to engage in livelihood diversification than their female counterparts, possibly due to the traditional gender roles and the predominant role of men in household decision-making.

In terms of marital status, the analysis reveals that the coefficient for the farming experience variable is statistically significant at a 5% level of significance and carries a positive coefficient. This finding indicates a positive relationship between marital status and livelihood diversification. Married commercial motor drivers are better positioned to pool resources and support their families through various diversification activities, ultimately contributing to improved household nutrition.

Concerning cooperative society membership, at a 1% level of significance, had a negative association with livelihood diversification. This implies that the more their involvement in cooperative societies, the lesser in livelihood diversification engagement. This might be attributed to their access to credit or loan to cater for their immediate needs whenever the occasion demands for it. The result further revealed a positive association between educational level and livelihood diversification, implying that the more educated among them tend to diversify livelihood options. It is presumed that being educated would give them access to useful and relevant information worthy of bettering their lives.

As for land acquisition, a greater amount of agricultural land is likely to support commercial motor drivers in engaging in farming, which, in turn, can enhance their financial capacity to meet their basic needs. This also affords them the opportunity to explore other profitable businesses, reducing their reliance on income solely from commercial driving. Consequently, the respondents have the potential to explore various livelihood diversification practices.

Table 3: Tobit regression analysis showing

Variables	Coefficients	Standard Error	T-ratio
Age	-0.0001956	0.0014709	-0.13
Sex	0.119579**	0.0454324	2.63
Monthly income	3.73e-08	7.30e-08	0.51
Marital status	.0535702*	.0306287	1.75
Household Size	-.0051202	.009074	-0.56
Educational level	.0140458	.0132979	1.06
Cooperative society	-.138345***	.0323696	-4.27
Loan access	.0020904	.0135736	0.15
Land acquisition	.037526***	.00985	3.81
Constant			
Log likelihood = 64.791611 Pseudo R ² = -0.7052 LR chi ² (12) = 53.59	.2021946	.1294218	1.56

Source: Field survey, 2023

3.4 Constraints faced by commercial motor drivers with respect to livelihood diversification

The participants highlighted a range of obstacles in the following sequence: Insufficient access to credit or capital (24.4%), limited asset base (23.5%), a lack of awareness and knowledge (16.8%), aversion to risk-taking (15.1%), limited opportunities (9.2%), economic instability (1.7%), and lastly, unpredictability in government policies (9.3%), as displayed in table 4. This indicates that the respondents face several challenges in their pursuit of livelihood diversification, which is essential for improving their overall well-being and fostering a higher standard of living conducive to enhanced productivity.

Table 4: Constraints faced by commercial motor drivers with respect to livelihood diversification

Constraints faced by commercial drivers	Frequency	Percentage
Inadequacy of credit/capital	29	24.4
Poor asset base	28	23.5
Lack of awareness and knowledge	20	16.8
Fear of taking risk	18	15.1
Lack of opportunities	11	9.2
Unstable economy	2	1.7
Unpredictable government policies	11	9.3

Source: Field Survey, 2023

4. Conclusion

From the study, it was concluded that the commercial motor drivers in the study were relatively young, fairly educated, mostly married and profitably engaged with the driving profession.

The study further concluded that crop production, livestock production, perennial fruit and vegetables and trading were the main other livelihood options available in the study area. It was also deduced from the study that sex, marital status, membership of cooperative society and land acquisition were the major factors influencing livelihood diversification among commercial motor drivers in the study area.

Lastly, it was concluded from the study that inadequacy of credit/capital, poor asset base, lack of awareness and knowledge, fear of taking risks were the major constraints preventing them from engaging in livelihood diversification.

5. Recommendations

The study's key takeaway is that commercial drivers should actively pursue livelihood diversification to mitigate the financial constraints associated with their driving profession. Additionally, the study suggests that associations for commercial drivers should be established to facilitate easier access to loans and credit.

In line with the study's findings, the government is encouraged to promote policies that emphasize the development of effective training programs. These programs should aim to equip commercial drivers with the necessary knowledge and skills to explore various livelihood diversification strategies, thereby benefiting both them and their families. These initiatives will enhance the ability of commercial drivers to utilize financial services, ultimately improving their quality of life.

Therefore, it is recommended that the government allocate adequate funds and loans to registered commercial driver associations. This will provide essential support for the livelihoods of the respondents as they go about their daily activities, alleviating the stress of financial uncertainty.

Furthermore, extension agencies should work to raise awareness about available educational programs and opportunities that these associations can tap into for their benefit. Such efforts can significantly assist commercial drivers in prospering during these challenging times.

Lastly, the government should create low-risk business opportunities that are both ethical and capable of increasing the daily earnings of commercial drivers. It is crucial that the government ensures a favorable economic environment and implements policies that do not impede the peaceful activities of commercial drivers.

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