

# Impact of Economic Activities on Poverty Reduction in Mubi Metropolis, Adamawa State-Nigeria

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**Abstract:** This study determined the impact of economic activities on poverty reduction in Mubi metropolis, Adamawa State, Nigeria. Objective of this study are to determine the income generated through the economic activities in the Cattle Market (Tike) and Sabon Kasuwa (Kasuwan Hatsi) and identify the level of employment opportunities available through economic activities in the study area. The study data were primarily sourced from the two (2) markets through the use of questionnaire, observation and interviews. Simple random sampling techniques were employed to select 280 respondents. Out of which only 178 were successfully returned. The result shows that on average 4000-5000 cattle are sold per week and N300 naira only is paid per cattle as revenue for the State and local government (Mubi South). It further revealed that State and Local Government generate revenue not less than N1,200,000 on weekly basis. In Sabon Kasuwa (Kasuwan Hatsi), State and Local Government generate revenue of N400,000 and N200,000 respectively. Both the market provides employment opportunities within the age bracket of 35-40 years. The result also depicts that the two (2) markets contribute 42% to the State and 61% percentage to local government. The key issues of the market is cattle rustler, road network to final destination, reduction in consumption of cattle and it's provide low standard of living due to economics constrain at household level in Mubi metropolis. It is therefore, recommended among others that government should accord top priority to provide security personnel to secure all the roads that link with cattle market (Tike) from neighbouring countries against cattle rustlers, government should employ modern system (electronic) of collecting revenue from the markets in Mubi metropolis.

**Keywords:** Economic Activities, Poverty Reduction, Metropolis

## I. INTRODUCTION

Economic activity is an activity of providing, making, buying or selling commodities or services by people to satisfy day-to-day needs of life. Any activity that includes, distributing or utilising products or services. Activities that involve money or the exchange of products or services are economic activities. The three types of economic activities are; Business; this economics activity provides goods and services to satisfy human needs on a daily basis with the aim of earning profits. Profession; it can also be defined as an occupation or a professional job that offers specialised services in return for professional charges. Employment; the activity is based on a contract between the company and the employee. Here, the employee performs duties for the company, and are paid (wages or salary) in return. It was reported that economics activities contribution to the

Agriculture, industry and service to Gross Domestic Product (GDP) in Nigeria amounted to about 21.2%, 25.7% and 55.8% respectively. (World Poverty Clock, 2018)

The United Nations estimates that Nigeria will have a population of 400 million by 2050. Nigeria was already struggling to shake off the effect of a 2016 recession before the new Covid 19 pandemic hit economies worldwide. In Nigeria 40.1% total population were classified as poor. (UN, 2020). Poverty is a negative state that threatens life, and considering its global prevalence, it is regarded as the foremost developmental challenge of many countries across the globe over the years. Poverty predicts deprivation of, or insufficient access to, resources below certain acceptable standard in the society. (Jana et al., 2012; Ologbon et al., 2014; Sokołowski et al., 2019).

The United Nations' Sustainable Development Goal (SDG) to end extreme poverty by 2030. A new report by the World Poverty Clock shows Nigeria has overtaken India as the country with the most extreme poor people in the world. India has a population seven times larger than Nigeria's. The struggle to lift more citizens out of extreme poverty is an indictment on successive Nigerian governments which have mismanaged the country's vast oil riches through incompetence and corruption, living people in extreme poverty population with 86.9 million, India with 71.5 million, Democratic Republic of Congo with 60.9 million and Ethiopia with 23.9 million. The top 10 African countries with extreme poverty Nigeria is first with 86.9 million, Democratic Republic of Congo 60.9 million, Ethiopia 23.9, Tanzania 19.9 million, Mozambique 17.8 million, Kenya 14.7 million, Uganda 14.2 million, South Africa 13.8% and South Sudan 11.4 million. Crucially, of those countries in top ten, only Ethiopia is on track to meet the United Nations' SDG of ending extreme poverty by 2030. Outside the top ten, only Ghana and Mauritania are also on track with the SDG target. Indeed, 15 countries across the world where extreme poverty is rising per World Poverty Clock data, 13 are currently in Africa (World Poverty Clock, 2018).

Poverty level in Adamawa State has hit a record of 75% high. It is the most important economic measure of the state of a country's economy. With one simple figure, we can tell whether an economy has grown, shrunk, or remained the same since one year ago. In other words, GDP tells us whether economic activity has increased, declined, or remained

flat. Mubi metropolis as the study area, there are many economic activities which are taking places by different sectors, the markets where such activities are undertaken are; Cattle Market and Sabonkasuwa, the level of economic activities performed reduced the poverty level in the study area. (Sahara reporters, New York, April 23, 2019). The study aim to achieve the following objectives; determine the income generated through the economic activities in the markets and determine the level of employment opportunities available through economic activities in the study area.

#### *Characteristics of Economic Activities*

The characteristics/features of economic activities that will help us determine and identify opportunities in the study area;

#### *Income Generation*

All economic activities will generate some form of income. It is not compulsory that such income is in monetary terms, it can be in different kinds. So, if the activity is a form of livelihood for the person, and it generates in form of income then it is an economic activity in Mubi metropolis. For example, a labourer who tills the land and gets paid in crops, this is an economic activity.

#### *Productive in Nature*

If the activity is a means of livelihood, it implies that there was some element of the production process involved. So an economic activity must be productive in nature, it must involve some aspect of the production of goods and/or services. Let us see some examples. A worker in a factory is producing goods, a software engineer is providing services, and a teacher also produces services. Similarly, farming is an economic activity as again it helps in production.

#### *Consumption is also an Economic Activity*

Consumption is the demand side of the market. It is what generates the production and the supply of goods and services. The consumption of goods promotes competition and introduction of better products in the market. So consumption encourages production activities, so it is an economic activity in Mubi Metropolis.

## II. REVIEW OF EXISTING LITERATURE

Held & Kaya, 2006; Quah, 2002, human development and most likely social vulnerability and resilience within the economic activities among others, furthermore, an understanding of the centre of economic activity across an area could help in the decision on siting growth or economic hubs (as the case may be) which could further support economic development in the country. The development of a spatially explicit model of economic activity (a corollary of this current endeavour) could also help in supporting analysis aimed at answering a wide range of other questions in social science as well as the integration of social and economic data in natural sciences studies. For example, the outcome of this study could help further development of understanding the

biological, geophysical and political factors driving economic activity across the country.

Kandogan, (2014); Quah, (2011); Grether & Mathys, (2010), have showed the shifting global centre of economic activity towards the East. Moreover, the works of Nordhaus (2006) in the development of G-Econ database at Yale University as well as Lawal and Nuga (2015) provided a background in which geographically based economic activity was computed for this study. Thus, this work served to further enhance these two works with context focused on Nigeria. This study seeks to provide further insight into the extent, pattern, direction and compactness of economic activities in the country. Development of spatial representation of pattern and dynamics of economic activity has a potential of supporting sustainable development; particularly, by providing an opportunity for incorporation of economic dimension into the analysis of climate change, vulnerability and resilience assessment, land use/land cover change as well as the impact of geophysical attributes on economic activity.

Lawal and Nuga (2015) and extending such work by examining the geographical distribution of economic activities across the country. There is a need for further refinement of the dataset as high-resolution data becomes available. For example, the dataset could be further enriched to reflect the differences in relation to natural resource extraction and exploitation as well as intra-urban difference in economic activities. This would provide a much clearer picture of the spatial pattern and trend of economic development across the country.

Location decision impacts significantly on business and as such plays an important role in economic activity. This could be seen as influencing the efficiency of business, cost of production (raw materials, transport, labour, etc.), market access and consequently the competitiveness of businesses. Considering all of these has often resulted in the increasing of revenue to the local government and reduces poverty and unemployment among the youths in all the markets that undertakes economic activities within the study area through the impact of economic activities on poverty reduction in Mubi metropolis.

## III. METHODOLOGY

Mubi Metropolis region which forms the Adamawa Northern Senatorial district lies between latitude  $9^{\circ} 30'$  and  $11^{\circ}$  north of the equator and longitude  $13^{\circ}$  and  $13^{\circ} 45'$  east of the Greenwich meridian. It is bounded in the north by Borno state, in the west by Hong and Maiha local government areas and in the south and east by the Republic of Cameroon (Adebayo, 2004). It has a land area of 4728.77 km<sup>2</sup> and a population of 202,500 according to National Population Commission (web) 2016 projection. The temperature regime in Mubi region is warm to hot throughout the year, because of high radiation income which is relatively evenly distributed throughout the year. However, there is usually a slightly cool period between November and February; minimum

temperature of 12.7°C around January and maximum temperature of 37°C around April (Adebayo, 1997).

Map of Adamawa State showing the study area.



Source: Adamawa Agricultural Development Program (1986)

*Sampling Techniques*

Simple random sampling techniques were used to select 280 respondents from the two (2) famous markets in Mubi metropolis are; Cattle market (Tike) and SabonKasuwa. Out of which only 178 were successfully returned for the analysis. The returned questionnaire covered all division and subdivision within the markets in Mubi metropolis.

*Types and Source of Data Collection*

The relevant data to this study are those that discovered the economic activities undertaken in Mubi Metropolis. These data were collected in the year 2021 from the respondents in two (2) markets. The facts collected from the respondents regarding the markets procedure on how economic activities undertaken in such market reduce poverty and create employment opportunities through the use of questionnaire and interview. Observations were also made by the researcher to add additional information obtained from the respondents in the markets.

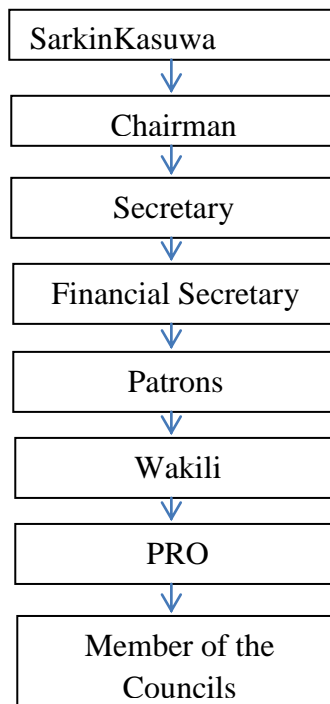
*Data Analysis*

With respect to the type and nature of the analysis to be carried out, descriptive statistic such as frequency distribution and percentage were employed for the research.

*Organisational Presentation of Each Market in the Study Area*

The two (2) markets covered in the study area; Cattle market (Tike) and SabonKasuwa (KasuwanHatsi) comprise of division and sub-division (Unions) that can be presented as below;

*Cattle Market (Tike)*



Source: Field Survey, 2021

*Revenue*

The revenue generated for State and Local Government from the Cattle Market is so much gainful. The State Government received N300 naira only per cow and more than 4000-5000 are sold monthly, the State government and local government received not less than N1,200,000 as revenue on weekly basis. While the local government (Mubi South) received the same value weekly/monthly. The officials of the Cattle market generate internal revenue (IGR), apart from what State and Local Government received, the internal revenue is fixed at N100 paid per cow and truck capacity was sixty (60) cows at once and more than 20 trucks are loading per week. This indicate that the cattle market received not less than N120,000 only per week as IGR.

*Mode of Transportation to Southern part of Nigeria from Mubi*

The Cattle imported to the market from neighbouring countries such as Cameroun, Chad and Central African Republic by road. The main channel of transporting the products to Cattle Market in Mubi and from Mubi to Market in Lagos, Abia, Port-Harcourt, Owerri and Calabar markets by road. Absence of rail network from Mubi to above states listed. This increase the level of transportation fare charges by road is the only alternative for transportation. In

conclusion heavy transport vehicle must be engaged also known as Mark Diesel, Trailer and Dap for transportation. (Yahaya, 2018).

The major states where the cattle are transported to within the Southern part of the Country are; Lagos, Abia, Port-Harcourt, Owerri and Calaber State etc. The average transport fare for the above listed states paid and other road charges (Tax) for transporting cattle to their final destination are as follows;

*Transportation Fee*

Destination	Amount Paid (N)
Mubi-Lagos	500,000-620,000
Mubi-Abia	300,000-400,000
Mubi-Port-Harcourt	350,000-450,000
Mubi-Owerri	320,000-400,000
Mubi-Calabar	300,000-400,000

Source: Field Survey, 2021.

The table above shows the ranges of fees paid to the above States listed. The amount to be paid is different from five (5) of the States listed above. The transport from Mubi to Lagos is more than all the States because they pay much more on the road. The transport to Lagos is more advantage to drivers only because they can get the transportation (goods) back to Yola, Maiduguri or Mubi with almost the same amount they were paid at first.

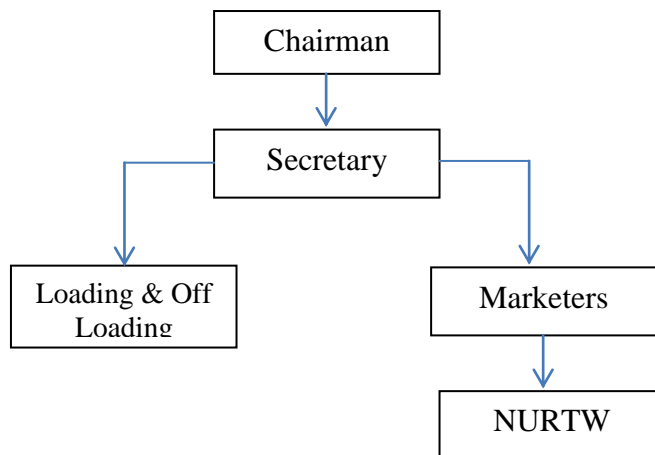
*Exchange Rate*

The exchange rate affects the cattle market (Tike) to the extent that price was fluctuation almost on a daily basis. The suppliers of the cattle to the market are from Cameroun Republic, Central Africa and Chad Republic. The conversion rates CFA Franc/Nigerian Naira; N2500 to 3550.84 (XAF) N5000 to 7101.69 (XAF), N7500 to 10652.53 (XAF) at official rate. At the black market within the cattle market and around the CFA (Saifa) exchange rate was N820-N850, the exchange rate was not stable and subject to increase or decrease base on market forces. (<https://www.currency.me.uk/convert/ngn/xaf>).

*Insecurity*

The insecurity that affects the cattle market (Tike) is cattle rustlers which affect the entire income and generate tension among the dealers in the market. Cattle producers are uncertain about when they can safely access markets due to insurgency. Cattle marketers have largely ceased or downscaled activities due to exchange rate and market actors face a number of constraints. This include limitation in the supply of an access to cattle market, a decrease in the number of traders and producers and a general reduction in the consumption of cattle and its product due to economic constrain at the household level in metropolis.

*SabonKasuwa (KasuwanHatsi)*



Source: Field Survey, 2021

*Revenue*

The mode of revenue collection for the local government and state government in SabonKasuwa take another direction, which forced many people (Marketers) relocated from one market to another in order to get relief in term of paying revenue. The state government was collects N5,000.00 from each truck and local government N10,000.00 per truck, and recently almost ten (10) trucks were loading on weekly basis. This indicates that local government recorded N400,000 and N200,000 weekly as revenue from the marketers. Before the covid 19 pandemic at least fifteen (15) trucks were loading on weekly and now the revenue for the State and local government declined in SabonKasuwa (KasuwanHatsi)

*Transportation*

The transportation fare from Mubi to final destination was varies and depend on the availability of trucks on ground. One hundred percent of the goods were transported to South Eastern States of Nigeria such as; Ekiti, Lagos, Osun, Ondo and Oyo. The capacity of one truck accommodate three hundred (300) bags of grains (Maize, Beans, groundnut and soya beans) they charge N2000 per bag from Mubi to any of the States listed above. The range of transportation fare are N600,000-N700,000.00 per truck.

*Insecurity*

The present of insecurity affects the economic activity in SabonKasuwa, which led many abandoned the business, all the road network from Mubi to South East, South West and South-South part of the country is not guaranteed for their business activity

*Internal Security*

The marketers are responsible for their own private security to secure their shops despite government has their own but is not

enough. The marketers employed four (4) personnel at the rate of N15,000 monthly. This shows that marketer are spending N720,000 on security yearly and this affect their income.

Socio-economic Characteristic of Economic Activities in the study Area

Variable	Frequency	Percentage
Age		
18-25	30	16.9
25-30	50	28.1
35-40	72	40.4
50 above	26	14.6
Total	178	100
Gender	Frequency	Percentage
Male	172	96.6
Female	06	3.4
Total	178	100
Marital Status	Frequency	Percentage
Single	73	41
Married	100	56.2
Divorced	05	2.8
Total	178	100
Educational Level	Frequency	Percentage
Primary Education	35	19.6
Secondary Education	80	45
Tertiary Education	23	13
No Formal Education	40	22.4
Total	178	100
Year of Experience	Frequency	Percentage
1-5	31	17.4
6-10	42	23.6
11-15	90	50.6
16-20	10	5.6
21 above	5	2.8
Total	178	100
Source of Capital	Frequency	Percentage
Personal Saving	43	24.2
Contribution (Adashi)	102	57.3
Microfinance Bank	16	9
Cooperative Societies	10	5.6
Commercial	07	3.9
Total	178	100

Source: Field Survey 2021.

The result from the above table depicts that the percentage of respondents within the age bracket of 35-40 years made the majority of the respondents (40.4%). This shows the good signal that majority of the respondents are still at their tender age and active for the business. The gender captured all the respondents from the markets covered in the study area were male which constitute (96.6%),this indicates that the majority of the respondents are equal to the task. The marital status of the respondents in the study area is married with (56.2%). This indicates a perfect signal that most of the marketers are responsible. Educational level, the educational level affects the smooth running of economic activities in the study area which constitute (45.5%), their educational level stop at secondary level. Year of experience, the experience spend by the respondents in the study area help other to know the past and adjust for the future mistakes in the study area from, 11-15 years constitute (50.6%). This does not mean that all the marketers are professional in all the dealings and concept of the market.

#### IV. RESULT PRESENTATION AND ANALYSIS

A total of two hundred and eighty (280) questionnaires were distributed to two (2) respective markets in Mubi Metropolis in the study area. Out of these one hundred and seventy eight (178) were returned as presented in table 1 below.

Markets	No. of Questionnaire Distributed	No. of Questionnaire returned	Percentage (%)
Cattle Market (Tike)	153	106	59.6
SabonKasuwa	127	72	40.4
Total	280	178	100

Source: Field Survey, 2021

#### V. CONCLUSION AND RECOMMENDATION

This study concluded that the impact of economic activities on poverty reduction inMubi metropolis of Adamawa State has drastically reduced the poverty and provide employment opportunities in cattle market (Tike) and SabonKasuwa (KasuwanHatsi) and increase level of revenue collected from the State and Local Government, hence low income earned by respondents.

Based on the findings of the study, the following recommendations were preferred;

Government should accord top priority to provide security personnel to secure all the roads that link with Cattle Market (Tike) from neighbouring countries against cattle rustlers. Government should employ modern system (electronic) of collecting revenue from the two (2) markets; Cattle Market and SabonKasuwa (KasuwanHatsi) for accountability. Since the cattle market is a profitable business and source of revenue to the State and Local Government, government courage marketers through Federal, State and Local Government intervention to stabilize longstanding marketers and encourage the new once.

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