



TRADITIONAL CASSAVA PROCESSING INDUSTRY AND JOB CREATION IN OYO

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Abstract

Traditional industries have been rural-based, but in the course of time and with technological advancements, they spread to urban areas to benefit from transport and marketing facilities and financial support from institutional sources, in doing so they contribute their own quota to socio-economic development of the country. This study therefore examines the characteristics of traditional cassava processing industry in the area of job creation in Oyo. A checklist was designed for recording observed workers in the factories, along with oral interview conducted. The data was then organized and presented in tabular form for analysis. The result showed impact of the industry in job creation, most especially for lowly trained workers. It was suggested that governments at all levels should formulate comprehensive public policies to encourage, support and fund their development, and proper training on cassava processing including workshops and seminars on cooperative education, should be imparted on the local producers.

Key words: Traditional industry, Cassava processing, Job creation, Industry

Introduction

The production side of business activity is referred to as industry. It is a business activity, which is related to the raising, producing, processing or manufacturing of products. The products are consumer's goods as well as producer's goods. Consumer goods are goods, which are used finally by consumers, e.g. Food grains, textiles, cosmetics etc. Producer's goods are goods used by manufacturers for producing some other goods, such as Machinery, tools, equipments e.t.c. There are various types of industries, these are mentioned as follows :- Primary Industry, Genetic Industry, Extractive Industry, Manufacturing Industry, Construction Industry, Service industry. These industries can, however, be traditional or modern, based on their mode of operation. Most industries located in rural areas are traditional, which refers to considerations about the existence, scale, type of organization and the tools. Traditional industry has its roots in the past (Roy, 1999; Matsumoto, 2006). Crafts people inherited the job from their predecessors, who are their parents, grandparents, great grandparents and so on. This traditional craft industry probably has existed for decades, even hundreds of years. Traditional industries are usually small scale industries operated

by a small number of employees based on family or neighborhood relationships (Matsumoto, 2006). Traditional industries use non-corporate organization not based on professional management. The tools used in traditional industry usually have artisanal origins and do not employ advance technology. The benefits of traditional industries to any economy are easily identifiable, they include: creation of jobs at relatively low level trained personnel, especially in the fast growing service sector; provide avenue for reducing income disparities; develop a pool of skilled and semi-skilled workers as a basis for the future industrial expansion; improve linkages between economically, socially and geographically diverse sectors of the economy; create opportunities for developing and adapting appropriate technological techniques; among others (Roy, 1999).

This is evident in the rapid economic growth and prosperity in the Asian developing countries which is derived from their ingenuity to enhance traditional manufactured goods for exports and industrialization and produce goods in which they have comparative advantages which turns out to be cheaply produced and affordable by their trade partners. But in the case of Nigerian industries, the ability to produce these



home made goods is constrained by many domestic factors which include infrastructural inadequacies and macro economic instability leading to low level of output, high cost of production, low capacity utilization and unfavorable business environments. The adverse business conditions coupled with insecurity of life and property, makes it difficult for Nigerian traditional industries to take advantages of the opportunities offered by globalization (Erumebor, 2010).

Also, the traditional industries face unfavourable competition with the influx of cheap finished products and the dumping of sub-standard goods. For the Nigerian economy to reap the massive gains and benefits of globalization, promotion of manufactured exports in the areas of comparative advantages have to be carried out thoroughly. This however can be achieved if the government and its agencies initiate grass root production medium through the promotion of traditional industries to produce what is imported and to meet the basic domestic needs and direct Nigeria's participation in the globalization process. This will, if properly instituted and managed, generate employment that could lead to increase productivity, industrialization, economic growth and development and strengthen Nigeria's status and prospects in the globalization trend.

The agro-industry mainly comprises of the post-harvest activities of processing and preserving agricultural products for intermediate or final consumption. It is a well-recognized fact across the world, particularly in the context of industrial development that the importance of agro-industries is relative to agriculture increases as economies develop. It is in this sense that the agro-industry is an important and vital part of the manufacturing sector in developing countries and the means for building industrial capacities.

Agribusiness firms are scattered all over the country but are concentrated in three main industrial clusters in Nigeria; Kano Kaduna Jos in the north; Lagos Otta Ibadan in the south west and Port Harcourt, Aba, Nnewi, Onitsha in the southeast. In general, the Lagos Otta Ibadan axis accounts for 44 percent of the registered firms and roughly 52 percent of the employment. Based on the average number of employees per firm, the largest firms are also located

in the Lagos area. While most of the sector is made up of small-scale enterprises (about 60 percent of the firms have between 20 and 49 employees), these account for 12 percent of employment. With a few exceptions, firms with more than 500 employees provide the bulk of sectoral employment. As a whole they account for 53 percent of total employment in the manufacturing sector (Marchet et al, 2001). The agro Industry is broadly categorized in the following types:

(i) Village Industries owned and run by rural households with very little capital investment and (ii) Small scale industry characterized by medium investment and semi-automation; products (iii) Large scale industry involving large investment and a high level of automation; products include sugar, jute, cotton mills, etc.

The development of agro-based industries commenced during pre-independence days. Cotton mills, sugar mills, jute mills were fostered in the corporate sector. During the post-Independence days, with a view to rendering more employment and using local resources, small scale and village industries were favored (Agro product 2008). The nature and character of farm agribusiness linkages in Nigeria can best be understood within the context of the Nigerian economy. Obviously, the supply of raw materials to the agro-industrial processing and manufacturing sector is a primary role of agriculture. This role also facilitates the other traditional roles of agriculture as a food supplier, provider of employment opportunities and income generation and a contributor to foreign exchange earnings through exports. In Nigeria, the rate of achievement of the linkage between agriculture and industrial sector has remained very tardy. This is partly because of the frequent changes in policy beginning with the import substitution strategies of the pre-1986 era that discouraged industrialists from patronizing locally produced raw materials. (FAO, 2008)

Agribusiness firms in Nigeria use five strategies to source agricultural raw materials. These are direct purchase from the market, use of buying agents, direct purchase from farmers or producers, use of out-growers or contract farming, and own production where firms set up their own farm enterprises. Though, contract out grower schemes and direct purchases from farmers have positive impact on rural incomes (Goldsmith 1985; Glover



1987). Unfortunately these two strategies are not popular in the Nigerian agribusiness sector. A survey on the strategies used by agribusiness firms suggests that the use of buying agents and direct purchase from the open market are quite popular amongst agribusiness firms. Also in a recent survey, it is observed that 41 percent of agro industries are sole proprietorships, while another 41 percent are private limited liability companies. About 4 percent are government owned, and 5 percent are of partnership nature while 8 percent are public liability companies (Ajakaiye and Akande, 1999)

Another major problem in the Nigerian business sector is the high cost of funding arising from the depreciation of the local currency against major currencies coupled with high lending rates and extreme difficulties in accessing credit for working capital, especially for small agribusiness ventures. Presently, the lending rate has been allowed to float and in some banks it is as high as 25 percent. The high lending rate encourages service businesses such as trading and imports rather than productive ventures in the agricultural business sector. There is no separate policy articulation for the development of agribusiness except for the brief objectives stated in the 1988 Agricultural Policy for Nigeria document for agricultural commodity processing.

The objectives of that section of the agricultural policy are stated as follows:

- to widen the demand base for agricultural commodities and, hence, accelerate the rate of growth of the agricultural sector;
- to preserve perishable agricultural commodities thereby reducing their level of waste and degree of seasonal price fluctuations;
- to diversify employment opportunities in the rural areas through the establishment of rural-based, small scale agricultural commodity processing industries. There is no specific national policy that focuses on the development of agribusiness as an important sub-sector - especially in the areas of agricultural commodity quality standardization, storage, processing, packaging, haulage, and marketing. There is also no harmonized and regional policy that supports a programmed and targeted development

of the agribusiness sub-sector in West Africa (FAO 2008).

Rationale for the research:

The high rate of poverty and unemployment with their attendant high crime rate is of great concern to the various levels of governments as well as the civil society. All and sundry have been seriously agitated as to what to do in order to reduce their crippling effect. Given the vital salutary role and contributions, which traditional industry (metallurgical, cloth weaving and dyeing, soap production, cassava processing etc) play in other developed and developing economies, and considering the on-going reforms by the government of Nigeria, which are primarily aimed at creating wealth, reducing poverty, generating employment, re-orientating values, and stimulating real economic growth, it becomes compelling to highlight the virtues of this industry, so as to show their potentials most especially in area of job creation and the need overhaul and energized the sector towards playing its expected roles. The development of the agro industry can help stabilize and make agriculture more lucrative and create employment opportunities both at the production and marketing stages. The broad-based development of the agro-products industry will improve both the social and physical infrastructure of Nigeria. Since it would cause diversification and commercialization of agriculture, it will thus enhance the incomes of farmers and create food surpluses.

Aim of the study:

This study intended to examine the contribution of cassava processing industry to job creation in Oyo..

Study Area:

Oyo town is located appropriated in latitude $7^{\circ} 47''$ N to $7^{\circ} 55''$ North and longitude $3^{\circ} 54''$ to $3^{\circ} 59''$ East of Greenwich meridian in Oyo state, the South Western part of Nigeria. (Oloyede-kosoko, 2014). The town is found on trunk A Ibadan to Kaduna road. She is centrally located between urban centre's of Ibadan, 55km south; Iwo, 35km south. East has Awe, Fiditi, Akinmorin, Jobele and Ilora. (Odedare and Oduyemi 2014).

The relief of Oyo town is located on the wide upland plains to the south of western rock outcrops late rite beaches outcrops occur along the major break of



slope as ones approaches the valley. Oyo is found on the grass plain of south west Nigeria and Guineas savannah. The region experience very little variation on its climate it has a very moderate rainfall and temperature with exception of extremes occurring rarely in the region. Its characteristically experience two distinct season, the wet or rainy season and dry season. The raining season characteristically occur between late March / early April and late October or early November. This region experience about twenty – eight (28) week of rain (Aderibigbe, 2014).The relief and climatic condition therefore supports agricultural activities as well as other economic activities, categorized into: Arts and craft industry(blacksmithing, calabash and wood carving); production factory industry; Agro-allied industries (poultry, cassava processing) (Oladokun,2014).

Methodology:

Instrument: Observation and interview were the main methods of data collection used in collecting information on the existing cassava processing factories in the study area. This is to ensure that the researcher is able to see at first hand, the characteristics being observed. A checklist was designed for recording observable features. The data was then organized and presented in tabular form for analysis.

Sample and Sampling Procedure: - All the existing thirteen cassava processing factories in the study area formed the population for the study.

Discussion of findings

Table 1: Location and Number of Workers Observed.

S/N	Factory Locations	Range of Workers Employed
01	Ogbagba,Sabo Area, Oyo.	100-250
02	Baba-Oluwo Bojuwa, Saabo Area, Oyo.	50-100
03	Owolarafe,Saabo Area, Oyo.	50-100
04	Irepodun- Ojongbodu, Oyo.	50-70
05	Sabo -Iloro.	250-400
06	Olooro-Second-gate, Erelu, Oyo.	20-50
07	Opapa, Oyo.	200-300
08	Ogbegbe- Sakutu, Oyo.	50-100
09	Ajgunle, Oyo.	250-400
10	Saga, Oyo.	50-100
11	Lapiti,Oyo.	50-100
12	Gudugbu, Oyo.	50-100
13	Parakoyi, Oyo.	50-100

Source: Authors field survey, 2018.

Data presented in table.1, represents the range of workers engaged in each of the traditional cassava processing factories observed in the study area. The function performed by the workers ranges from cassava peeling; grinding; jacking (draining of the cassava fluid) and frying. Ajgunle and Sabo processing factories provides largest opportunity for workers needed for the operations in the industry, with creation of job for between two-hundred and fifty to four-hundred individuals on average. The factory located at Opapa area is second on the log with two-hundred to three-hundred job seekers finding something to do. Cassava processing factories at Sabo area, employed between fifty and

hundred workers except for Ogbagba with one-hundred to two- hundred and fifty. Irepodun factory located in Ojongbodu towards Iseyin axis currently absorb between fifty and seventy workers as the location is currently under treat from ongoing construction of roads.

Factories located at Ogbegbe-Sakutu; Saga; Lapiti; Gudugbu and Parakoyi cater for between fifty and one-hundred workers. The variation in the number of workers is mainly due to the climatic condition experienced in the study area. The rainy season experienced larger supply of cassava from the farmlands, compared to the dry season when the



workers observed that the supply drops due to the difficulty in harvesting cassava. The cassava processing factory located at Olooro- Second gate area of Erelu had least number of workers engaged in their activities. This may be attributed to the fact that the factory as well as the residential area is relatively new compared to the other factories in the study area.

Conclusion.

The study has evidently showed that given adequate support and incentives, traditional industries in the country would contribute in no small way, to job creation and subsequent reduction in unemployment rate. Thus many economies, developed and developing must come to realize the value of traditional industry and small businesses. They are seen to be characterized by dynamism, witty innovations, efficiency, and their small size allows for faster decision-making process. Developments in small and medium enterprise are a valuable tool for employment generation, solid entrepreneurial base and encouragement for the use of local raw materials and technology.

Much is expected from the government to provide basic capita to assist traditional industries and small businesses. Nigeria economic terrain is very constraining with the focus being concentrated on the modern and big firms which are constantly down-sizing. Also, basic amenities and infrastructural facilities should be provided so as to create a favourable business environment which would reduce cost of production and encourage productivity and increased job creation in the manufacturing sector.

Recommendations.

* Governments at all level should formulate comprehensive policies to encourage, support and fund the development of traditional industries.

* Financial institutions should make credits available and accessible to the operators in the industry.

* New techniques on cassava processing should be imparted on the local producers including

workshops and seminars on cooperative education.

* Special attention should be paid in implementing different government sponsored schemes.

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