

# The Role of Non-Agro Based Industries in the Development of Rural Areas of Esan West Local Government Area of Edo State

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## Abstract

This study examined the role of non-agro based industries in Esan West Local Government Area. The study used both primary and secondary data for finding. The issues examined include the types and spatial distribution of non-agro based industries located in the study area, the factors influencing their locations, the facilities provided by the industries and the constraints of non-agro based industrial development of rural areas of Esan West Local Government Area. Arising from the findings, recommendations were made to enhance the productivity of these industries to achieve the desired objectives.

Keywords: Role, Industries and Development

## 1. Introduction

The rural economy is made up of both agricultural and non-agricultural sectors. The non-agricultural sector is termed the off farm activity, which constitutes the industrial sector of rural economy. The industrial sector is made up of both agro-based and non-agro based industries. The agro based industries are the industries that utilize agricultural product as raw materials. The industries in this group include; wood industries, crop milling, shoe and textile industries (Akhimien, 2005).

The non-agro based industries which are the focus of this paper are those industrial establishments that do not rely on agricultural products for their functioning. The non-agro based industries are many. They include welding, vulcanizing, banking services, motor works, transportation services, energy generation industries, provision of health facilities, block moulding, plumbing, barbing, hair dressing saloon, cellophane industries and education services industries (Ehisuoria, 2012).

Rural development connotes all the strategies directed towards enhancing the quality of rural people and rural environment. Adawele (1990) defined rural development as a process of not only increasing the level of per capital income in the rural sector, but also the standard of living of rural population. This definition connotes that the standard of living depends on a complex of factors such as food and nutrition levels, health, education, transport, housing, recreation and security. Gana (1990) sees rural development as the restructuring of the rural capable so as to lift from being a dependant peasant and largely agricultural economy capable of sustaining the life. In recent time, it has been argued that agriculture alone is by no means the possible way for rural development. It is as a result of this that, the non-agricultural sector of the rural economy, that is rural industrialization policy particularly the non-agro based industrial sector is advocated.

Monye (2008), argue that the industrial sector contributes more to gross domestic products of any economy. The contributions of industrial sector to economic development of a nation including rural areas include, employment generation, provision of basic infrastructural facilities such as accessible roads, electricity, water and the provisions of health facilities. The task of this paper therefore, is to examine the non-agro based industries in Esan West Local Government Area and examine their contributions in the development of the rural areas in the study area, in terms of, income generation, employment generation and the provision of infrastructural facilities that will sustain the rural people and their environment.

The industrial activities in the rural areas of Nigeria, particularly those of the study areas are operating in difficult environment. The poor accessibility of rural settlement due to unreliability of rainfall, problem of finance, procurement of raw materials, transportation problem, limited market and power shortage are among the problem that limit the performance of the industries which include, welding, block moulding and computer industries in the study area (Ehisuoria, 2012). Alegieuno (2008), also examined small and medium scale enterprises in Nigeria. The industries examined are both agro-based and non-agro based industries. The non-based industries studied in the include farming, fashion design, motor works, electrical and electronic services and water packaging. The study also revealed that shortage of capital is one of the challenges facing the industries. To solve the problem of financial constraints for rural industries in Nigeria, the government has put in

place various schemes, programmes and policies to finance small and medium scale enterprises in Nigeria particularly in the rural areas which include national poverty eradication programme (NAPEP), and bank of industries (BOI). Despite these policies and programmes, the problem of finance is yet to be overcome because most of the rural entrepreneurs have no collateral security that qualifies them to secure the loan.

## 2. Statement of the problem

A lot of literature exists on the impact of industrialization in the development of an area. For example, Akhimien (1998) also examined the impact of large scale industries on rural development using Bendel Feed and Flour Mill Limited Ewu. The result revealed that development has been attracted to Ewu and its environs since its establishment. Similarly, Gbenga (2010) examined the unlocking treasure in block making industry in Nigeria. He concluded that block making is a lucrative business in Nigeria. This is due to the fact that people use block to build houses, and they are always in continuous demand. Despite the above studies, no one has been focused on the impact of non-agro based industries in the development of rural areas of Esan West Local Government Area which is the study area. This paper is therefore out to fill this gap.

## 3. Aim and objectives of the study

The aim of this study is to examine the impact of non-agro based industries in the development of rural areas of Esan West Local Government Area, Edo State. The objectives of the study are to examine:

- i. The types and spatial distribution of non-agro based industries in Esan West Local Government Area, Edo State.
- ii. The factors that influence the location of non-agro based industries in the study area.
- iii. The facilities provided by the non-agro based industries that enhance rural development in the study area.
- iv. The constraints of non-agro based industries in the development of the study area and
- v. Recommendations to improve the functionality of these industries to enhance the development and the quality of life of the people in the study area.

## 4. Study Area

The study area is Esan West Local Government Area. Esan West Local Government Area was created in 1991. It is one of the eighteen Local Government Areas of Edo State, and one of the five Local Government Areas of Esan kingdom which is today known as Edo Senatorial District. The headquarters is Ekpoma. See (fig.1). The Local Government is made up of several settlements most of which are rural. The only urban settlement in the area is Ekpoma using population size and component, infrastructural facilities, functional activities, housing quality, standard of living and marketing system criteria.

Esan West Local Government Area is located within latitude  $6^{\circ} 44'N$  and  $6^{\circ} 45'N$  and longitude  $6^{\circ} 06'E$  and  $6^{\circ} 08'E$  of the Greenwich Meridian (Ojeifo, 2005 and Esegbe, 2011). The study area has an approximate area of 65,089 square kilometers (Esegbe, 2011). The Local Government is bounded in the north by Owan East Local Government Area, in the east by Esan Central Local Government Area, in the south by Igueben Local Government Area and in the West by Uhumwode Local Government Area as in (fig...1).

The relief of the area varies between 150 and 430 metres above mean sea level. The soil of the area is made up of lignite group of rocks consisting of clays, fine grained sand and carbonaceous shale clays (Aziegbe, 2005, and Omofonmwan, 2006). The fine sand deposit of Precambrian deposit serve as raw materials for block making industries which is non-agro based industry. The drainage consists of small streams such as Ibiekunman and Ogidukpe. The area has few springs in Egoro and Urohi. These springs can provide spring water as a raw material for spring water industry which is non-agro based industry when located in the area. Generally, the area has water shortage since there are no remarkable rivers that drained the area. This hinders the locations of maritime industries in the area.

Esan West experiences the sub-humid tropical climate characterized with wet and dry seasons. The area has rain forest type of vegetation which is very rich in timber which include, Iroko, Mahogany and Obeche. The socio-economic activities of the people include commerce, industrial activities such as block moulding, furniture making, banking, oil milling and motor works. Agriculture is the major occupation of the rural people. The crops cultivated include pineapple, cocoa, yams, cashew, oil palm, rubber and maize. The area has a projected population of over 146,000 people at a growth rate of 2.8% using 2006 population census figure of 127,718 as a base (NPC, 2006). The population of the area is heterogeneous. It is made up of different tribes such as Igbos, Yorubas, Hausas, Urhobos, Ijaws, Igbiras and the Esan People who are the natives of the land.

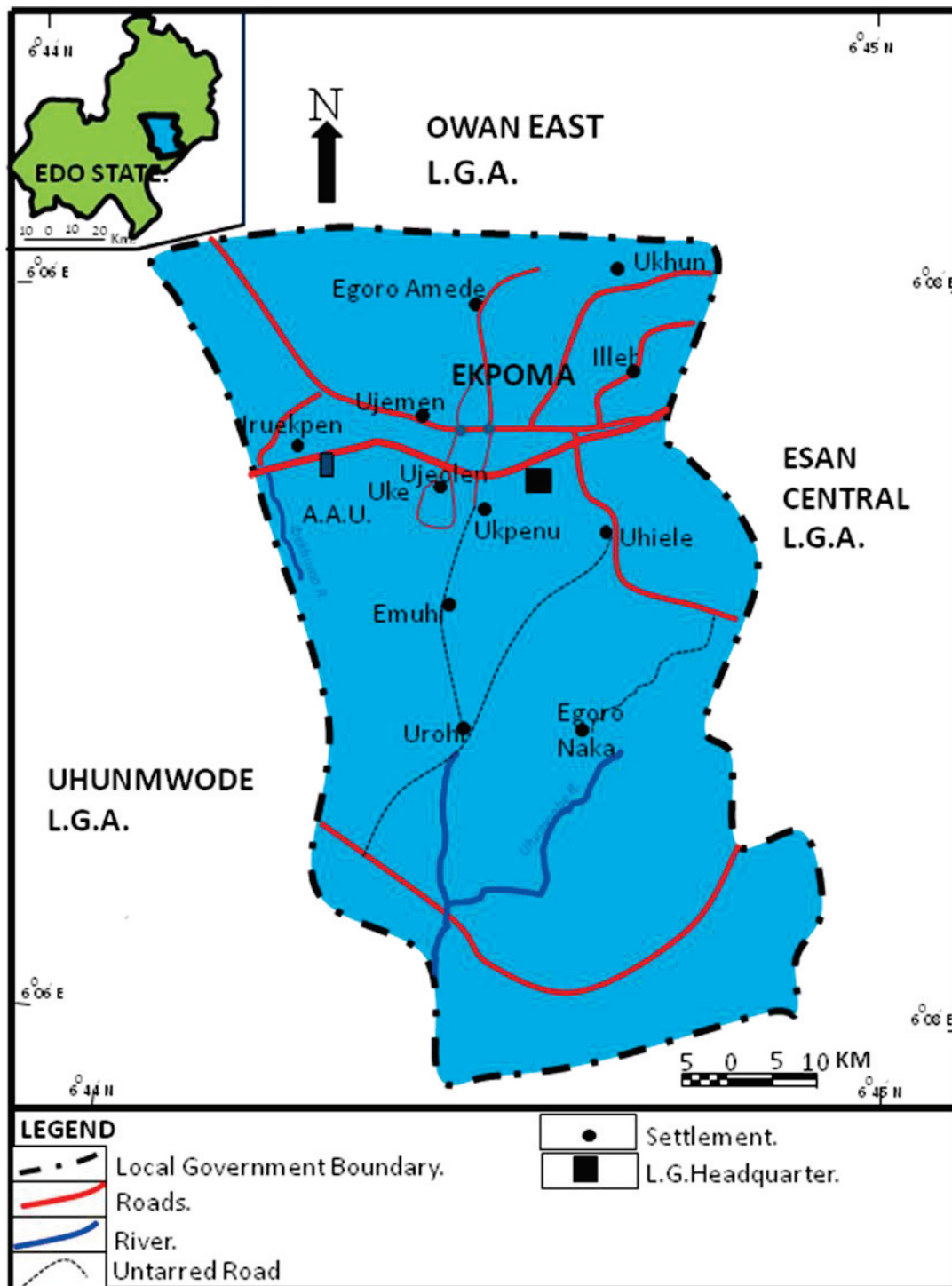


Fig :1 LOCATION: ESAN WEST THE STUDY AREA.

SOURCE: MINISTRY OF LANDS AND SURVEYS, BENIN CITY, 2012.

### 5. Materials and Methods

The data for this study were collected from both primary and secondary sources. The primary data were collected by use of questionnaire administration and personal observation in the field. Four Hundred questionnaires were administered in ten settlements in the study area while three hundred and sixty questionnaires were retrieved which were used to examine the role of non-agro based industries in the development of rural areas of Esan West Local Government Area. The settlements surveyed are Emuhi, Urohi, Ogwa, Ujiogba, Ukhun, Ido, Egoro, Uhiele, Eguare and Emaudo. Questions were asked on their sex, age, origin, educational qualification, types of non-agro based industries located in the area, raw materials use and

their sources, employment and income generated by the industries, infrastructural facilities provided by these non-agro based industries in the area and the constraints that limit the growth of the industries. The stratified sampling technique was used to select the rural settlements while the random sampling technique was used to select the respondents for interview. The secondary data used include the population data generated by the National Population Commission (NPC, 2006).

## 6. Results and Discussions

The non-agro based sector of industrial activities in Esanland is a subset of the total industrial activities in Esan West L.G. Area. The non-agro based industrial activities in Esan West Local Government Area have impact in the development of the rural area of the study area. The non-agro based industrial activities in the study area needs to be examined as a distinctive industrial activities in the area, and how they influence the development of rural areas of the study area in terms of income and employment generations, health facilities provision, education and security provision, infrastructural provision and market creation for other sector of the economy. Also examined are the types and the distribution of the non-agro based industries in the study area as in table I.

**Table I: Types and Spatial Distribution of Non-Agro Based Industries in Esan West Local Government Area**

S/N	Non-Agro Based Industrial Establishments	Emuhi	Urohi	Ogwa	Ujiogba	Ukhun	Idoa	Egoro	Uhiele	Eguare	Emaudo	Total
1.	Welding	3	2	5	2	1	1	0	3	19	13	49
2.	Block moulding	0	0	3	1	0	0	0	0	10	3	17
3.	Motor works	0	0	2	2	0	0	0	2	9	5	20
4.	Vulcanizing	3	4	5	4	2	3	3	5	12	8	49
5.	Sachet water ind.	0	0	1	0	0	0	1	1	4	1	8
6.	Barbing ind.	2	3	3	4	2	5	5	9	22	13	68
7.	Tailoring	6	9	7	4	4	3	6	10	30	8	77
8.	Electrical works	2	3	3	5	1	1	1	7	11	7	41
9.	Black smithing	1	2	1	1	1	0	1	0	0	0	7
10.	Aluminum works	0	0	2	1	0	0	2	3	8	5	21
	Total	17	23	32	24	11	13	19	40	115	63	357
	%	4.76	6.44	8.96	6.72	3.8	3.64	5.32	11.20	32.21	17.65	100.00
	0 <sup>0</sup>	17.14	23.19	32.27	24.20	11.09	13.11	19.16	40.34	115.97	63.53	360.00

Source: Field Survey, 2012.

Table I shows the sampled non-agro based industries in Esan West Local Government Area and their spatial distribution. Emuhi 4.76%, Urohi 6.44%, Ogwa 8.96%, Ujiogba 6.72%, Ukhun 3.08%, Idoa 3.64%, Egoro 5.32%, Uhiele 11.20%, Eguare 32.21% and Emaudo 17.65%. The table reveals that Eguare and Emaudo at the centre of Ekpoma the Local Government headquarter of Esan West Local Government Area have more industries. This is because, the pull factors of industrial location such as market, accessibility, labour security and the advantage of agglomeration of industries are more in these areas. The location of several industries in a particular geographical area leads to employment of skill labour, access to capital, security and large market which are the pull factors of industrial location (Yesufu, 2005).

**Table 2: Factors that Influence the Location of Non-Agrobased Industries in Esan West Local Government Area**

S/N	Non-Agro Based Industrial Establishment	Raw Material Accessibility	Labour Accessibility	Transport Accessibility	Water Availability	Market Availability	Power Supply	Others	Total
1.	Welding	6	12	19	7	30	33	3	110
2	Block moulding	4	3	3	4	11	9	1	35
3.	Motor works	3	5	10	2	15	4	2	41
4.	Vulcanizing	7	3	16	9	26	2	0	63
5.	Sachet water ind.	2	5	3	7	8	3	0	28
6.	Barbing ind.	21	11	13	5	39	37	3	129
7.	Tailoring	17	23	33	6	41	16	7	143
8.	Electrical works	5	9	15	4	20	31	2	86
9.	Black smithing	0	0	3	0	7	2	1	13
10.	Aluminum works	6	3	5	2	14	17	0	47
	Total	71	74	120	46	211	154	19	695
	%	10.22	10.65	16.83	6.62	30.36	22.16	2.73	100
	0 <sup>0</sup>	36.78	38.33	62.16	23.83	109.29	79.77	9.84	360

Source: Field Survey, 2012.

Table 2 reveals the factors that attract the location of non-agro based industries in the study area. Raw materials accessibility accounts for 10.22%, labour accounts for 10.65%, transport availability accounts for 16.83%, water availability accounts for 6.62%, market availability accounts for 30.36%, power supply accounts for 22.16%, while other variables which include security and communication account for 2.73%. From the above analysis, it is obvious that market is the major determinant of non-agro based industrial location in the study area. The highest population in the area is centered at Ekpoma, the headquarter of the Local Government Area. This is also the reason while about 50% of the total industries are located in Eguare and Emaudo as in table I while the hinter land with low population such as Ukhun and Idoia have low industrial activities, which hinders rural development in the study area.

**Table 3: Facilities Provided by Non-Agro Based Industries in Esan West Local Government Area**

S/n	Facilities provided	No of Respondents	Percentage of Respondents	Degree of Respondents
1	Road	63	14.25	51.31
2.	Water	21	4.75	17.10
3.	Health	104	23.53	84.71
4.	Electricity	59	13.35	48.05
5.	School	92	20.81	74.93
6.	Recreation	31	7.01	25.24
7	Others	72	16.29	68.64
	Total	442	100.00	360.00

Source: Field survey, 2012.



Table 3 reveals the facilities provided by non-agro based industries in the study area. The table shows that road, water, health facilities, electricity supply, school and recreation services. Provision of road accounts for 51.31%, water supply accounts for 17.10%, health centres located in the area that provide health services accounts for 84.71%, electricity supply accounts for 48.05%, education accounts for 74.93%, recreation facilities accounts for 25.24% while others facilities account for 68.64%. Health facilities therefore, is the leading facility provided by the non-agro based industries in the area while water is the least facility provided.

**Table 4: Total Number of Employment Generated by the Surveyed Non-Agro Based Industries in Esan West Local Government Area**

S/n	Industrial Types	Total No. of Industries Surveyed	Total No. of Employment Generated by the Industries	Average Employment Generated According to Industries	Percentage of Employment Generated According to Industries
1.	Welding	47	187	3.86 = 4	10.65
2.	Block	17	156	9.18 = 9	8.88
3.	moulding	20	125	6.25 = 6	7.12
4.	Motor works	49	57	1.16 = 1	3.24
5.	Vulcanizing	8	154	19.25 = 19	8.77
6.	Sachet water ind.	68	239	3.51 = 4	13.61
7.	Barbing ind.	77	358	4.65 = 5	20.39
8.	Tailoring	41	240	5.85 = 6	13.67
9.	Electrical works	17	19	2.71 = 3	1.08
10.	Black smithing Aluminium works	21	221	10.52 = 11	12.59
	<b>Total</b>	357	<b>1,756</b>		<b>100</b>

Source: Field Survey, 2012.

Table 4 reveals the number of employment generated by the sampled non-agro based industries in the study area. Welding industry, Sachet water industry 8.77%, Barbing Saloon 13.61%, Tailoring 20.39%, electrical works 13.67%, black smithing 1.08%, and aluminium works 12.59%. The low level of the employment generated by these industries is due to the low sizes of the industries. Non of the industries surveyed can be classified as large or medium scale industry using the Central Bank of Nigeria employment approach to classify industries into small, medium and large scale industries. The Central Bank of Nigeria (2001) defined small scale industry as an industrial establishment employing not more than 11-100 workers, medium scale industry having employment of 101 – 300 workers while large scale industry as an industrial establishment employing more than 300 workers. Out of the ten industrial types surveyed in the area, only the sachet water and aluminium works industries that can be classified as small scale industry in the study area using the CBN classification. The other industries can be classified as cottage industries since none of them is having average employment of 11 workers and above. It is as result of this, that the expected contribution of non-agro based industries in the development of rural areas of Esan West Local Government Area is low.

**Table 5: The Constraints of Non-Agro Based Industries in the Study Area.**

S/N	Constraints	No. of Respondents	% of Respondents	0 <sup>0</sup> of Respondents
1.	Raw material shortages	47	7.51	27.03
2.	Financial constraints	187	29.87	107.54
3	Poor power generation	103	16.45	59.23
4	Marketing problem	78	12.46	44.86
5	Transportation problem	107	17.09	61.53
6	Unfavourable government policy	68	10.86	39.11
7	Others	36	5.75	20.70
	Total	626	100.00	360.00

**Source:** Field survey, 2012.

Table 5 shows the problems that hinder the development of non-agro based industries in Esan West Local Government Area. Raw material shortages accounts for 71.51%, financial shortages accounts for 7.51%, financial shortage accounts for 29.87%, poor power generation accounts for 16.45%, marketing problem account for 12.46% , poor transportation the rural area accounts for 17.09%, unfavourable government policy accounts for 5.75%. These problems have been identified by earlier scholars such as Segynola, 1986, Abiodun and Aguda, 1987, Akhimien, 2005 and Ehisuoria, 2012. But none of these scholars has focused his attention on the constraints of non-agro based industries in the rural areas of Esan West Local Government Area. These constraints hinder the level of development in transforming the rural areas in Esan West Local Government Area. These constraints are obvious in the locational pattern of non-agro based industries in the area. The industries have more locational advantages in Ekpoma, the local government headquarter where enabling environment is more favourable than the hinterlands.

## 7. Recommendations

Arising from the above examination of the role and the constraints of non-agro based industries in the development of rural areas of Esan West Local Government Area of Edo State; the following recommendations are made to achieve the developmental objectives of non-agro-based industries in the study area.

Encouraging co-operative movements among the rural non-agro based industrialists to enable them secure loan and political participation that will enhance their industrial operations in the area.

Manpower development policy should be encouraged in the study area. This will reduce the problem of shortage of manpower supply which was identified as a problem of non-agro based industries in the area.

The government and the non-governmental organizations should provide access roads in the rural areas to reduce the problem of accessibility in the rural areas.

Some rural settlement in the study area should be selected for development into large settlement to increase the accessibility of these rural areas to higher order goods and services.

The rural non-agro based industries should be given tax holidays and protected from competition of advanced industries to enable them grow.

Also recommended is the maximum utilization of local raw materials in the rural areas of Esan West L.G. Area of Edo State of Nigeria. This strategy will not only promote industrial activities in the area but will also create market for the rural people that provide the raw materials.

Others include financial assistance programme, market expansion in the rural area, and improving the communication facilities in the rural areas of Esan West Local Government Area.

## 8. Conclusion

The development of rural areas in Esan West Local Government Area cannot be achieved through agricultural revolution alone. Industrial development particularly, the non-agro based industries should be the concern of the communities and the individuals. If this is done, the condition of rural people will improve. This will also enable the quality of urban centres in Nigeria since rural urban migration will reduce and reduce urban management problems in Nigerian towns and cities.

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