Impacts of Home Based Enterprises on the quality of Life of Operators in Ibadan North Local Government, Nigeria

[1]ABOLADE, Olajoke [2] Adigun F. O, [3] Akande, Oluwatosin David

[1]*Ladoke Akintola University Of Technology Ogbomoso Nigeria Department Of Urban And Regional Planning*
[2]*Ladoke Akintola University Of Technology Ogbomoso Nigeria Department Of Urban And Regional Planning*
[3]*Ladoke Akintola University Of Technology Ogbomoso Nigeria Department Of Urban And Regional Planning*

ABSTRACT: *This paper investigates the impacts of home based enterprises on the quality of life of residents in Ibadan North Local Government Area. The paper employed structured questionnaire to elicit information on the subject of discussion. Using stratified random sampling, a total number of two hundred and twenty five households were sampled in the study area. Likerts Scale rating was used to rate the perception of operators on the impacts of home based enterprises on their quality of life and residents. The study reveals OSI variables that have high positive deviation about their mean include "income from the enterprise is satisfactory" (3.86), "profit is enough to purchase necessary foodstuffs for the house" (3.70), "the profit is enough to pay house rent" (3.64), "it has reduced poverty level" (3.51), "it gives job security" (3.34). It could be observed that the satisfaction indices for these variables are greater than the average OSI; This implies that the operators are very satisfied with the enterprise in regards to these variables. The study recommends that the government should create a suitable economic environment to ensure the growth and development of home based enterprises as part of the informal sector, and it should also ensure the regularization of the activities of home based enterprises to minimize their negative effects and effectively maximize its benefits for the operators, residents and the environment as a whole.*

KEY WORDS: *Home Based Enterprises, Quality of Life, Impacts, Development,*

I. INTRODUCTION

In Africa, and particularly in Nigeria, development of cities has been relatively unprecedented and characterized by the growth of home based enterprises. According to Goorha (2000) the spontaneous development of home based enterprises has been recognized to play an important role in provision of employment and income to unskilled and semi skilled workers who otherwise would have been unemployed; and also to skilled workers who are yet to gain employment in their chosen professions. Consequently, the income earned from such enterprises undoubtedly affects the quality of life of the people involved in same. From available literature (Sethuraman, 1992 Onyebueke, 2000 Nwaka 2005) and studies in parts of Africa (Harts,) and Nigeria (Dickson et al 1996 Abegunrin et al 2006 Abolade 2012,) practitioners of home based enterprises seem to be predominantly those in the lowest levels of income earning capacity. As such, they tend to be viewed as a group of people being exploited, overworked, and categorized as poor.

On the contrary, Strassmann, (1987) established that home based enterprises operators in low income settlements had better dwellings than those not operating such enterprise. The dwellings are described more valuable, with larger sites, more floor space, and better sewer connections. He further characterized the operators as the elite of the low income settlements. This presupposes that the practice or otherwise of home based enterprise has effects on the quality of life of those involved. However, while it has been recognized as a major provider of employment opportunities and also as a means of income generation as well as income augmentation for people, it is yet to be given adequate attention empirically. The need to establish whether the employment and income provided brings about a subsequent improvement or deterioration in the quality of life of those affected directly or indirectly by such is equally fundamental. This differentiation is essential in order to have a distinction between those that are directly or indirectly affected. There is need not only to fathom out how the quality of life is affected by the practice of home based enterprise but to what extent is it affected. The significance of this and its eventual extension is enormous, knowing that home based enterprise as an offshoot of the informal sector is rapidly expanding due to inadequate provision of jobs in the formal sector and coupled with rural-urban migration which is still on the rise. Thus, the necessity to undergo a more detailed study of home based enterprise and its impact on the quality of life of operators and residents is significant. The significance of this paper lies in its contribution to existing knowledge of home based enterprises as well as quality of life of informal operators in the urban areas of nation most especially third world cities.

Against this background, this paper investigates the perceived impacts of home based enterprise on the quality of life of operators and residents in Ibadan north local government area. This is with a view to

identifying the positive and negative impacts of the same and making recommendations towards ameliorating the negative impacts.

II.   LITERATURE REVIEW

Several research work on housing have delved mainly on dwelling either as a place of shelter for households, or as a unit of accommodation, and a key setting for social reproduction (Okewole, 1998 Agbola, 1998, Olatubara, 2006). Conversely, in many parts of the world, dwelling is also recognized as a place of production involving income generating activities ranging from small scale, part time tasks with few specific manufacturing activities which may dominate the dwelling unit (Kellet and Tipple, 2001). Therefore, dwellings can provide not only shelter and amenities but also an income through rental space or use as a shop (Strassmann 1987).

The establishment and growth of home based enterprise as an offshoot of the informal sector can be traced back to the rise of urbanization witnessed around the world (Salter, 1998). The concept of informal sector was first introduced by the International Labor Organization and broadly characterized as (a) ease of entry; (b) reliance on indigenous resources; (c) family ownership; (d) small-scale operations; (e) labor-intensive and adaptive technology; (f) skills acquired outside of the formal sector; and (g) unregulated and competitive markets. While this concept has gained recognition over the years, home based enterprise also share similar description by most of these characteristics. Thus, the economic activities carried out in home based enterprises may exhibit some level of uniformity in these characteristics while there are shades of variations from one administrative unit to another.

The International Labor Organization (ILO, 1985) estimates that the proportion of the urban work force engaged in the informal sector is highest in sub-Saharan Africa, and accounts for more than 50% of urban employment in two-thirds o f the countries surveyed in 1999 (Nwaka, 2004). In urban areas, the lack of opportunities in the formal sector tends to concentrate a large share of the population in the informal sector. In a survey conducted in Manila, 87% of the city's slum dwellers were found to work in the informal sector (Joshi, 1997). The informal sector also absorbs a large proportion of the migrant population from the rural areas. A study in Dhaka shows that migrants comprised 70% of the informal sector labor force, against 37% in the formal sector (Malik, 1996). Another survey of selected capital cities showed that 93% of the migrants in Dhaka, 6 3% in New Delhi, 97 % in Jakarta and 80% in Bangkok worked in the informal sector. The share of informal economic sector employment out of total gainful employment in Nigeria rose from 27.3% in 1970 to 38.2% in 1989 (FGN, 1993). Nkom (2000) observed that more than 90% of Nigeria's food supply comes from the informal sector. Thus informal enterprises unarguably play a very significant role in the economy of nations particularly developing nations (Abolade, 2012).

Throughout the world, the emerging markets are moving towards privatization of parastatals, with the intention of creating free and competitive markets (Kellet and Tipple 2000). This could impact negatively on poor households, especially in the current economic climate. Returning to the concept of quality of life Giovanni Pires (1998) states that this concept should be reevaluated, because he says it does not satisfy the criterion of future expectations, seeing that quality of life depends not only on health, spiritual beliefs or the environment, but also the optimism with which the person lives his daily life, the ability to overcome obstacles, among other things. We can then say that quality of life, besides being the individual perception of each one's life, it is the system of values by which the individual is governed, but also social, work, and family developments, as well as the economic and human development, because quality of life is a process of constant change, as well as technical-scientific evolution, accompanying the individual's needs.

In most parts of Nigeria, it is an acceptable practice for home based enterprises to operate in residential areas, as they contribute towards the quality of lives of household members. The legality of this however cannot be determined as most cities either do not have master plans guiding their growth and development; or the plan not being implemented in the existence of one. Home based enterprise as part of the informal sector provides many of the jobs needed by the growing workforce, and compensates for much of the formal sector's failure to provide goods and services (Gough et al, 2003, Kellet and Tipple 2000) outlined a number of advantages of home based enterprises, which include the fact that they can be converted swiftly, conveniently and without loss from one use to another. In addition, poverty alleviation is widely seen as the main objective towards the establishment of home based enterprise, since many people involved are unemployed in the formal sector. Also, the time spent on domestic activities can be converted into time spent on home based enterprises as the ebb and flow of domestic work allows, and space can be used for a range of activities. It is apparent that although home based enterprises can facilitate many opportunities, there are also some concerns that need to be taken into account. This raises questions about the relevance of home based enterprises in the Nigerian context and its similarity to the international context, specifically in terms its contribution to the quality of life of operators and residents in environments where they are carried out.

III. RESEARCH METHODOLOGY

Data were sourced through structured questionnaire. Stratified random sampling technique was employed in the administration of questionnaires, taking into consideration the population distribution of each ward in the local government area. The total population size of Ibadan North LGA was extracted from 2006 National Population Census (306, 795). This was projected using 2.3% (official growth rate) to obtain the estimated population size for 2011 using geometric progression model as represented below:

$$Pr = Pn \left(1 + \frac{r}{100}\right)^n$$

Where Pr = Projected population

Pn = Present population

r = Growth rate

n = Number of projected years

A total number of two hundred and twenty five (225), questionnaires which represents 0.065% of the total projected population of the study area (343,737) were administered. The number of questionnaires distributed within each ward is summarized in the Table 1. Perception of residents on the level of satisfaction of operators who engaged in home based enterprise and the level of agreement of residents on the perceived impacts of home based enterprises was rated on Likert's scale. An Index OSI operates satisfaction index was developed to measure operator's satisfaction on the impact of home based enterprises. Nineteen variables were used in determining OSI To arrive at OSI, operators rated each of the nineteen variables using Likert scale five of strongly agree, agree somewhat agree, disagree and strongly disagree indicate their level of agreement.

To calculate the index, the ratings were assigned value of 5,4,3,2,1. The sum of weight value (SWV) for each impact is obtained through the summation of the product of the number of responses for each rating to an impact and respective weight value. The socioeconomic variables of respondents were summarized.

The mean of the OSI distribution was also computed. Furthermore, the deviation about the mean of each variable, the variance and standard deviation of the distributions were also calculated to measure the scatter around the mean That is, how large the observations fluctuate above or below it. The coefficient of variation was calculated to measure the scatter in the data relative to the mean in percentages. The nearer the OSI to the unity scale 1 the more satisfied the respondents were with the infrastructure provided.

Table 1: Number of Questionnaires Administered in the Study Area

WARD	2006 Population	Projected 2011 Population	Total No. of Questionnaires Administered
1	12134	13595	09
2	24139	27045	18
3	29419	32961	22
4	25621	28706	19
5	21506	24095	16
6	21224	23779	15
7	7507	8416	05
8	40689	45588	30
9	18532	20763	13
10	11375	12744	08
11	12214	13684	09
12	82435	92361	61
Total	**306795**	**343737**	**225**

Source: Adapted from 2006 National Census by National Population Commission

Results and Discussion

Operators' Satisfaction Index (OSI) on the Impact of Home Based Enterprise.

From Table 3, considering the impact of home based enterprise on the operators, the highest OSI is 3.86 while the least is 1.33. The OSI is 3.09. The range of OSI variables is 2.53. Some of the satisfaction variables that have high positive deviation about their mean include "income from the enterprise is satisfactory" (3.86), "profit is enough to purchase necessary foodstuffs for the house" (3.70), "the profit is enough to pay house rent" (3.64), "it has reduced poverty level" (3.51), "it gives job security" (3.34). It could be observed that

the satisfaction indices for these variables are greater than the average OSI; This implies that the operators are very satisfied with the enterprise in regards to these variables. Meanwhile, the operators seem not to be satisfied with the enterprise in some other aspects. Such variables have low deviation about their mean. These include: Car(s) are bought from the enterprise (3.05), houses are built from the enterprise (2.85). Other variable in this category relates negative effects of the enterprise to which most of the operators disagree. Such includes: causes physical tiredness (2.86), leads to stress/pressure (2.29), Causes sight deterioration (1.76), and Causes skin disease (1.33). All these are considered not to affect the operators. This may not be absolutely acceptable but to the operators they seem not to bother about these effects once the enterprises support family livelihood and helps to sustain livelihood. This should be an issue of concern to policy makers considering the accumulative effects on the operators and other residents. This result has further implication on the future expansion of the enterprise. Eventhough some of the activities involved had been identified in the literature to poses health and environmental effects () but operators level of agreement the negative effects indicates that they expand the enterprise if there is a means, thus increasing the negative impacts on other residents and the environment. In addition, some of the activities currently engaged in by operators could have a better means of doing it though unknown to them presently. They will have no urge or drive to change this method since they are not aware of some ofits associated negative effects

$$x = \frac{a}{225}$$

OSI = Level of Operators' Satisfaction Index

$$\bar{X} = \frac{\sum OSI}{N} = \frac{58.62}{19} = 3.09$$

$$Variance = \frac{\sum (X - \bar{X})^2}{N} = \frac{8.5385}{19} = 0.4494$$

$$Standard\ Deviation\ (S.D) = \sqrt{VARIANCE} = \sqrt{0.4494}$$
$$= 0.6704$$

$$Coefficient\ of\ Variation = \frac{(SD \times 100)}{\bar{X}}\% = \frac{(0.6704 \times 100)}{3.09}$$
$$= 21.70\%$$

Figure is a graphic representation of the degree of scatter around the mean of the Level of Operators' Satisfaction Index. It can thus be inferred that the scatter around the mean of the Level of Operators' Satisfaction Index is small since the standard deviation is 0.6704. This implies that the values of Level of Operators' Satisfaction Index for all the variables cluster around the mean and the more reliable the mean.

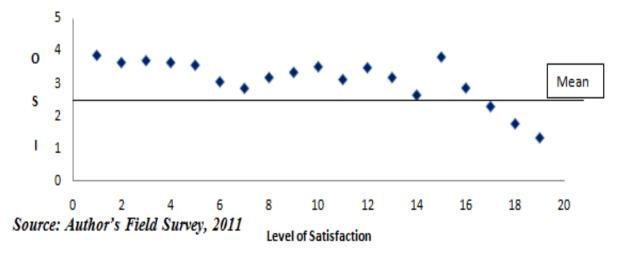**Figure 1: Opinion of Operators on Impact of Home Based Enterprise on Quality of Life**

Source: Author's Field Survey, 2011

Table 2: Opinion of Operators on Impact of Home Based Enterprise on Quality of Life

Level of Satisfaction	Operators' Option					Total (t)	SWV (a)	OSI	(x-$\bar{x}$)	(x-$\bar{x}$)^2
	5	**4**	**3**	**2**	**1**					
Income from the enterprise is satisfactory	31	139	47	8	0	225	868	3.86	0.77	0.5929
The profit from the enterprise is helping to pay children's school fees	25	109	76	15	0	225	819	3.64	0.55	0.3025
The profit is enough to purchase necessary foodstuffs for the house	31	103	83	8	0	225	832	3.70	0.61	0.3721
The profit is enough to pay house rent	31	108	60	25	1	225	818	3.64	0.55	0.3025
It enhances spending capability	33	98	59	31	4	225	800	3.56	0.47	0.2209
Have bought car(s) from operating this enterprise	18	80	41	68	18	225	687	3.05	-0.04	0.0016
Have built house(s) from operating this enterprise	7	69	54	73	22	225	641	2.85	-0.24	0.0576
I am fulfilled with operating the enterprise	10	73	89	53	0	225	715	3.18	0.09	0.0081
It gives job security	12	95	76	42	0	225	752	3.34	0.25	0.0625
It has reduced your poverty level	18	117	51	39	0	225	789	3.51	0.42	0.1764
It enhances social status	13	66	86	55	5	225	702	3.12	0.03	0.0009
It can be used to provide employment for others	25	89	79	32	0	225	782	3.48	0.39	0.1521
It gives job satisfaction	3	83	94	42	3	225	716	3.18	0.09	0.0081
It contributes to domestic accident occurrence	3	63	37	95	27	225	595	2.64	-0.45	0.2025
It brings frequent occurrence of headache	54	102	41	28	0	225	857	3.81	0.72	0.5184
It causes physical tiredness	1	58	98	44	24	225	643	2.86	-0.23	0.0529
Operating the enterprise leads to stress/pressure	0	25	45	126	29	225	516	2.29	-0.80	0.6400
Operating the enterprise causes sight deterioration	0	12	24	87	102	225	396	1.76	-1.33	1.7689
Operating the enterprise causes skin diseases	0	0	3	68	154	225	299	1.33	-1.76	3.0976
Total								**58.62**		**8.5385**

Source: Author's Field Survey, 2011

IV. EFFECT OF ENTERPRISE ON OPERATORS

Table 3 summarizes the impression of operators on how the enterprises they are operating have affected their health, financial well being, and quality of life. A larger proportion (70.7%) responded that it has had no effect on their health, 22.7% of the respondents are of the opinion that the enterprise has made their health better, while the remaining 6.6% are of the impression that their health status is worse off than when they started the enterprise. On their impression about the effect of the enterprise on their financial status, 85.3% are better off than when they started the enterprise, 14.7% observed no noticeable difference between the time they started and their present financial status. On the overall quality of life, 85.3% supported that they are of the

opinion that their quality of life has improved, 14.7% responded that there is no improvement in their quality of life, while nobody indicated their quality of life became worse off for it. This implies that most of the operators have are better off financially than when they started their enterprises, while there have not been much of health problem related to the enterprises.

Table 3: Effect of Enterprise

Status	Overall Impression						Total	
	Better		Same		Worse			
	Frequency	Percentage (%)	Frequency	Percentage (%)	Frequency	Percentage (%)	Frequency	Percentage (%)
Health	51	22.7	159	70.7	15	6.6	225	100
Financial Well Being	192	85.3	33	14.7	0	0	225	100
Quality of Life	192	85.3	33	14.7	0	0	225	100

Source: Author's Field Survey, 2011

V.   CONCLUSION AND RECOMMENDATIONS

Having studied home based enterprise and its impact on the quality of life of operators and residents in the study area, there is need to recommend possible and likely solutions to some problems that were observed in the study area. Below are the measures and actions recommended in order to reduce problems associated with the impact of home based enterprise on operators and residents in the study area.

There is need for regulation on the use of generators/machineries and the types of generators/machineries to be used by operators of home based enterprises. This is because they are operating from residential areas and most of the residents complained about the level of noise generated by these enterprises. Enterprises that generate a very high level of noise should not be allowed within residential areas, especially the service industries. Furthermore to the use of generators; if the government can ensure a regular supply of electricity to the operators, there will be no need for generators. This will go a long way in saving a lot of costs for the operators, as well as reducing the level of noise pollution affecting the residents.

5 There is also the need for regularization and monitoring of the conversion of use of buildings from residential to commercial or mixed, in order to forestall the blockage of airspace brought about by the unplanned conversion being done by operators of home based enterprise in the study area. This will also ensure proper and adequate ventilation within the study area.

VI. CONCLUSION

There is wide recognition of informal enterprises running from home in most parts of the underdeveloped countries. This was also observed in the study area for this   paper Ibadan North Local Government Area in Oyo State – where houses are utilized as economically productive assets. Therefore, the house is seen as an essential asset for most entrepreneurs. The existence of home based enterprises plays a key role in addressing a range of development challenges, including unemployment and poverty alleviation. That is, home based enterprises are instrumental in generating the household's income, which in turn contributes towards improvement of the lives of members/operators; while not necessarily endangering the lives of residents.

Despite some disadvantages of home based enterprise, a large number of responses have attested to its positive effects in terms of improving the livelihoods of the households' members. There are some similarities between the local experience of the residents and the international literature, in terms of their views that home based enterprises are significant towards improving the lives of individuals. Regulatory measures are however, necessary to ensure optimal functioning of the home based enterprises. Social institutions should also consider incorporating home based enterprises in their policy (social housing policy) in order to ensure that clear rules and standards for its establishment and development are put in place.

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