



## THE DETERMINANTS OF MARKET EMPLOYMENT CAPACITY OF ENTERPRISES IN JIGAWA STATE OF NIGERIA

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### ABSTRACT

*This paper examines the determinants of market employment capacity of enterprises in Jigawa state, we used primary data collected from 300 entrepreneurs drawn base on purposive and random sampling techniques from three major international markets in the state. Consequently, we employed descriptive statistics and multivariate regression model for the analysis. The results revealed that market employment capacity (MEC) is directly related to the capital requirement (CAP) of businesses and inversely related to experience (EXP) of the entrepreneurs. Besides, both relationships are statistically significant. The policy implication of the research is that government should stimulate appropriate policy responses for employment generation and growth sustainability in domestic markets that attract international participants. In addition, these markets should be transformed, developed and optimally utilized to create the enabling platform for sustainable growth and development of the state.*

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**Keywords:** Market employment capacity, Enterprises, Finance, Capital requirement.

**JEL Classification:** C3, C83, E24, E26, L26, M21.

### Contribution/ Originality

This study contributes to the existing literature on the determinants of market, employment capacity of enterprises. It applied new empirical model for the estimation. The paper's primary contribution is the discovery that, market employment capacity is directly related to the capital requirement for businesses and inversely related to the experience of the entrepreneurs.

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## 1. INTRODUCTION

The economy of Jigawa State is largely characterized by informal sector activities with agriculture as the major economic activity. Over 80% of the people in the state are farmers engaged in farming and animal husbandry. The State population was estimated to be about 4.4 million people, ranked the 8<sup>th</sup> most populous states in Nigeria. With its agriculturally-based economy, it has a high potential as a market both in terms of production distribution consumption and employment generations. The Commerce and Industry potentials of the State limit to small and medium scale agro enterprises, such as; agricultural produce, livestock, fisheries, food and beverages and other household consumer goods. Other informal sector activities include; blacksmithing, leatherworks, tailoring services, auto repairs, metal works, carpentry, tanning, dyeing, food processing, masonry, quarrying, block-making, among many others (Paths2, 2014; Wikipedia, 2014).

Markets are invaluable socio-economic components of rural and urban space in the state. Commercial activities among the people in the state are mostly carried through periodic markets. These markets perform diverse socioeconomic functions towards integrating the largely rural-dominated economy of the state into regional and national socioeconomic systems. These markets serve as focal points for the exchange of commodities and innovation, centers for commerce, entertainment, traditional evangelism, avenues for social functions and means of aggregating surpluses. These markets provide employment to many people of the State especially those living in the rural areas. Yet, the vast potentials of these markets are largely under-exploited.

Most literature on markets laid emphases on the distributive role of urban and rural markets in the circulation of goods and other services between the rural and urban areas. Not much has been written on the other roles, urban and rural markets play in development of Nigeria apart from being a distributing channel. Several researches such as; Rondinelli (1987); Devi (2007) and Salagrama (2004) have placed emphases on the distributive role of rural market. Other researchers have also discussed challenges facing periodic markets. But there is little or no research on the employment potential of periodic markets to the best of our knowledge. Albeit, the state was placed among the five poorest state in Nigeria (see (NBS, 2012)) consequently, employment generation is an important issue. It is against this background that the research is set to investigate the employment capacity of the international markets in the state.

### 1.1. The Problem

Firstly, there is no research found on market employment capacity or potentials. The emphasis has been on period market challenges and distributive roles of rural and urban areas as pinpointed by (Rondinelli, 1987; Salagrama, 2004; Devi, 2007). Secondly, the potentials of these markets are largely under-exploited in terms of employment generation, taxes to the government, exports drive of agricultural produce, wealth creation, among others. Thus, the research questions are: what are the determinants/factors that influence market employment capacity (MEC)? What is the magnitude of the relationship between employment capacity (MEC) and capital requirement

(CAP)? How could international markets in the state improve employment generation? Consequently, the objectives are to: identify and examine the determinants of MEC of enterprises; establish the magnitude of the relationship between MEC and CAP. This paper is structured in five sections; section one introduce the work, highlight the problem, research questions and the objectives of the research, section two deals with literature review, section three covers the methodology, section four discusses the empirical results and section five concludes the study.

## 2. LITERATURE REVIEW

There are many factors that are said to be responsible for the dynamism of the market's ability to generate employment. These factors are related to market location, government support for the enterprises, access to finance, capital requirement for enterprise and experience in business. These factors are expected to influence the ability of the enterprises to generate employment.

### 2.1. Conceptual Literature

There are so many definitions of market, [Lipsey \(1963\)](#) defined market as the medium through which goods and services are exchanged to the terminal consumer. While, [Hodder and Lee \(1974\)](#); [Okafor and Onokerhoraye \(1986\)](#) are of the view that market is a public gathering of buyers and sellers at appointed locations, at regular time. In addition, [Alao \(1968\)](#) and [Huang et al. \(2003\)](#) defined market as a place factor where farmers buy and sell their wares. For them, the market is concerned with infrastructural needs of producers in the assemblage and marketing of surplus produce to urban areas and sometimes for export as wholesale or retail distribution of food products to consumers within an urban area and with further distribution to other areas for export. On the other hand, [Gaisford \(1993\)](#) and [Ikelegbe \(2005\)](#) view markets as an abstract economic exchange mechanism that may not necessarily be in a fixed geographical location. Market may exist without the parties involved having to meet somewhere at a given time Other writers such as; [Gusten \(1968\)](#); [Enighmy \(1972\)](#); [Smith \(1992\)](#); and [Sada \(1975\)](#) opined that markets perform economic and non-economic functions. The economic functions are three-fold, local exchange, internal trade and central place function

Moreover, market is a medium through which buyers and sellers connect to perform business transactions. A “periodic Market” is an authorized public gathering of buyers and sellers of commodities at an appointed place at regular intervals. Market centers are the places to which consumers travel to buy or exchange goods. A market is necessarily a place for a large number of simultaneous person to person transactions. But, apart from being a point of economic contact they also serve as places of social and cultural interactions ([Reddy, 1994](#)). Also, [Yusuf \(2011\)](#) operationally defined ‘rural markets’ as enclosed or open-space designated for commercial activities at regular intervals on either large or small-scale in rural areas.

In a study, [Whipple \(1992\)](#) identified port of entry, crossroad, resource, and accommodation as criteria which cause a town or market place to form and the components necessary for a commercial center to survive. Also, [Okafor and Onokerhoraye \(1986\)](#) identified specific

geographical factors that influence the location of rural markets in Tropical Africa. These are accessibility, nearness to source of water supply, sites of traditional religious shrines, population density, and market periodicity since they evolve over time. As long as commercial centers continue to satisfy one or more of the above criteria, they flourish, when the needs no longer exist, the commercial center's decline.

There are four major international markets in the state. These markets have merchandise category. This categories are sub-divided into nine (9) categories: firstly, *Fast edible goods* which consist of (Cooked food: Rice and Stew, beans, Eba, Amala etc Refreshment Roasted/steamed maize and groundnut, Fura and Nono, Bean-cake, pap, puff-puff, fried yam, fried fish, bread and tea etc. also, Fruits peeled orange, pineapple, sugar cane, mango, and walnut, garden egg etc. again, Meat (beef and mutton), fresh/frozen fish, snail etc. they includes; Stimulant: cola nut, bitter-cola, alligator pepper, shea butter, palm kernel, oil red oil etc).

Secondly, *Durable goods* comprises of (Domestic assets: local grass/wool stocked mattress, zinc windows/doors; Grass mats and grass fences (Zena) and grass stuffed head and arm rests; Soap/ (Black and soda); Earthen wares: clay pots whetstones; Bronze wares ports ladles, spoons; Local leather bags and pouches, leather sandals; Sandal from rubber tyres, rubber-made well water drawers, etc).

Thirdly, *Livestock and Poultry* which consist of; Sheep, goats, cattle; Hens, cocks, ducks dove, etc. Fourthly, *Artisan/Cottage* comprises of (Blacksmith; cutlass axe, sickle, Dane-guns, knives; Aluminum and iron smith, firewood stoves. Aluminum box; Repair and sales of watches and clocks and their spare parts; Electrical electronic related and sales repair of radio, Tinkering services and sales of tinkered materials Tailoring services and sales of dress and clothing accessories, etc). Fifthly, *Urban Consumer packaged goods*; Confectioneries: biscuits, sweets, chewing gum, etc; Food additive: seasonings, canned food products, etc; Soap and toiletries: toothpaste, powder, cosmetic and beauty accessories, etc; Imported rice brands, ground oil, salt, sugar, matches, etc; Fuels and energy: kerosene, lubricant in barrels and Gerry Cans.

Sixthly, *Fruits and Vegetables (wholesale and retails)* comprises of; Pepper, spinach, tomato, okro, etc; Sugar cane, mango, banana, cashew, plantain, etc. Seventhly, *Agric produce* which consist of; Root and tuber: cassava, yam, sweet potatoes, coco yam; Grain: rice, maize, guinea corn, millet; Groundnut, Melon, soya beans. Eighthly, *Rural processed consumables*; consist of (Maize flour, cassava flour, Gari, Dried\ smoked fish; Locust bean, melon, tamarind beans; Dried pepper, tomato, pumpkin, etc), and Ninthly, *Durable urban industrial (capital) goods*; comprises of (Industrial grinding machine and parts; Foot wears: shoes slippers and sandals; Stainless-steel, ceramics enamel and glass-wares; Agrochemicals and fertilizers, veterinary products, and patent Medicines; Electronic gadgets (radio's television) parts and accessories; Stationeries: torchlight, batteries, lantern, etc. also, Cloth and textile: new and old clothes, unsown apparel; e.g Lace, Brocade, Ankara wax, etc).

## 2.2. Empirical Literature

The empirical literature shall discuss the factors that determine the market employment capacity of the enterprises. These include: market location, experience, government Support, access to finance, and capital requirement of businesses. Let us look at them in turn:

### (a) Market Employment Capacity

The major reason for increased rural productivity is the desire of rural producers to improve their well-being. Once the household food needs are met, the excess is taken to retail markets. As a traditional form of non-agricultural rural employment (NARE), periodic marketing is greatly favoured by the flexibility of small-scale trading which requires neither rigid technical skill nor large capital investment. Because scarcity of capital for investment is at most time endemic in rural areas, the quick rate of turnover and profit from periodic retailing compared to farming significantly improve rural well-being and can be invited to account for proliferation of rural markets (Yusuf, 2011).

### (b) Market Location

Arrangement of markets over space takes into cognizance the distribution of population and settlement, degree of mobility of traders and buyers, and local variations in productive capacity and resource endowment (Lado, 1988). This space-time arrangement of periodic markets ensures a premium return from waiting for demand and supply of goods and services (Wanmali, 1980). Furthermore, Reddy (1994) observed that periodic markets are located near to the other central places such as religious places, administrative offices and socio-cultural institutions. Majority of people live away from the central place institutions. Therefore to minimize the efforts, expenses and inconvenience in travel, all these institutions are visited in one single journey. In certain cases periodic markets may be located in between two settlements particularly near road junctions and river crossing. Also, Geist (1990) wrote that the significance of periodic markets as central places can be determined on the basis of structural and functional criteria such as location, size, periodicity, supply of good and catchments area.

Moreover, Reddy (1994) opined that, when new markets are located in areas which already have some markets, the new markets can either select their market days avoiding those of existing market. If there are two market days within a week it is more likely that they will be so located as to have maximum temporal distance. Similarly, in such case, it has been observed that depending on the volume of trade, one of them is major and the other is a minor, market day. A further classification of such market has been done on the basis of type of economic activity such as wholesale marketing.

### (c) Experience in Business

Many enterprise owners or managers lack managerial training and experience. Entrepreneurs with vast experience and training in managing business are more capable of finding ways to open a

new business. Besides, Blackwood and Mowl (2000) concluded that business success or failure is dependent not only on the behavior of business owners/managers, but also on the economic and social behaviors of the environment in which these businesses operate. They suggested that successful businesses were likely to be managed by owners who had initially considered several alternative ventures, purchased the business as a going concern, prepared a financial plan, regularly maintained financial records, used financial targets to assess business performance and have had previous experience managing private business along the same line.

#### **(d) Government Support for Market Participants**

The goal of Government intervention and support for enterprises is to enhance their performance. This is because small and medium scale enterprises (SMEs) are viewed as an important engine for income and employment generation as well as economic growth. Government financial support is expected to increase the performance of SMEs by increasing their profit, turnover and employment generation. Thus, Correi *et al.* (2003) examined the impact of the use of credit from the Government credit scheme on the profitability of firms can be positive or negative. Positive relationship occurs when the firms operate under favorable conditions, when sales and profit margins are higher and when the firms are able to generate a good return on asset. The final impact of the positive relationship is on the return on equity which increases at rate faster than if the firms had not acquired credit. On the other hand, the negative relationship occurs when the credit acquired is used to generate a return on asset that is lower than before tax cost of debt, when sales and profit margins are low. However, Maseco *et al.* (1993) found that only 7% of the SMEs graduate into large companies after receiving government financial support. This shows that, businesses do not necessarily grow to maturity despite financial support government.

#### **(e) Access to Finance**

Access to finance and its sources was frequently considered in the literature as a crucial issue for small business enterprises in the markets. These enterprises that do not perform well are not expected to get adequate credit they require, thus further limiting their performance. Finance is, thus, an important variable that affects both the income and employment of firms in the markets. However, Lussier (1995) investigated the predictability of small business success and the results suggested that finance is among the four factors that were significant predictors of success. Similarly, Michaelas *et al.* (1999) noted that profit maximization through credit financing might not hold for SMEs. This is because SMEs find it difficult to borrow from commercial banks for many reasons and when they are able to borrow, the cost of borrowing is usually higher than those of large firms due to their higher credit risk. Therefore, the relationship between credit and profitability of SMEs may be negative due to high interest rates in developing countries compared to the developed countries where interest rates are generally low.

### (f) Capital Requirement

Capital is among the 15 independent variables tested for their significance using logistic regression by Lussier (1995) in his research. He examined the predictability of small business success. These factors were: planning, professional advisors, managers' education, staffing, family business ownership, capital, financial control, industry experience, management experience, product/service timing, age of owner, economic timing, partnership business, minority ownership and marketing skills. The results suggested that finance is among the four factors that were significant predictors of success.

## 3. MATERIALS AND METHODS

The materials used are basically the generic structured questionnaire which consist of 52 questions mostly closed-ended and few opened-ended. Also, questions were asked in the form of unstructured interview on the spot, i.e. on the course of questionnaire administration. The methods comprises of population size, sampling technique and empirical model. It shows the functional and econometric specification of the model to be estimated.

### 3.1. Population Size

The population of this research is all the international markets in the state, but in order to capture the targeted respondents' purposive and random sampling techniques were employed so as to cover major international markets in the state. These major international markets comprises of Furji market in Gwiwa/Yankwashi Local Government Areas (LGAs), Maigatari market in Maigatari LGA, Gujungu market in Taura LGA and Sara market in Gwaram LGA (Table 1).

**Table-1.** Major International Markets in Jigawa State

| S/N | Name of Market | Local Government Areas |
|-----|----------------|------------------------|
| 1.  | Furji          | Gwiwa/ Yankwashi LGAs  |
| 2.  | Maigatari      | Maigatari LGA          |
| 3.  | Gujungu        | Taura LGA              |
| 4.  | Sara           | Gwaram LGA             |

Source: Compiled by Authors from Ministry of Commerce, Industry and Cooperatives, Jigawa State

### 3.2. Sampling and Sampling Technique

The purposive sampling technique was used in selecting the markets but random sampling technique was used in selecting the targeted respondents in the survey. Therefore, three markets sampled were drawn from the four major international markets in the state (Table 1). The sampled markets are; Firji, Maigatari, and Gujungu. In all, three hundred (300) questionnaires were distributed to market participants or entrepreneurs. One hundred (100) questionnaires in each market and all the 300 questionnaires were completed and returned. Thus, the response rate was 100%.The study employs descriptive statistics and multivariate regression model. The model test the relationship between Market Employment Capacity, which is number of employees of the responding enterprises is the dependent variable, while the independent variables are; Market

Location, Experience, Government Support, Access to Finance, and Capital Requirement of the enterprises.

### 3.3. The Empirical Model

To test the Market Employment Capacity of the enterprises, the following functional model was estimated as:

$$MEC = f(MLO, EXP, GSP, ACF, CAP) \quad (1)$$

Then, the econometric model was derived:

$$MEC = \alpha + \beta_1 MLO + \beta_2 EXP + \beta_3 GSP + \beta_4 ACF + \beta_5 CAP + e \quad (2)$$

Where; MEC = Market Employment Capacity, MLO = Market Location, EXP = Experience, GSP = Government Support, ACF = Access to Finance, CAP = Capital Requirement of businesses, e = Error term,  $\alpha$  = Constant term, and  $\beta_1$  to  $\beta_5$  are parameters of the model.

**Table-2.** Description of Variables and Measurements

| S/N | Variables | Description and Measurement of the Variable  |
|-----|-----------|--|
| 1   | MEC       | Market Employment Capacity, is the Dependent Variable measured by the number of employees of the responding enterprises                                |
| 2   | MLO       | Market Location, (Rural=1, Semi-Urban=2 Urban=3), is Independent Variable expected to positively affect Market Employment Capacity                     |
| 3   | EXP       | Experience, is independent variable measured by the number of years in business. It is expected to positively affect Market Employment Capacity.       |
| 4   | GSP       | Government Support, is independent dummy variable (supported=1 otherwise=0). It is expected to positively affect Market Employment Capacity.           |
| 5   | ACF       | Access to Finance, is independent dummy variable (Get access to finance=1 otherwise=0). It is expected to positively affect Market Employment Capacity |
| 6   | CAP       | Capital Requirement, is an independent variable measured by the amount of capital required to operate fully in the market                              |

## 4. EMPIRICAL RESULTS

The result is divided into two: the descriptive statistic result which provide a summary of the responding entrepreneurs and the enterprises personal characteristics and the regression result.

### 4.1. Result of the Descriptive Statistics

Age, marital status, sex, level of education income level and Number of employees were some of the personal characteristics that were presented in Table 3. The result shows that a greater percentage of the responding entrepreneurs were middle-aged people between the age of 19 and 58. Meanwhile, the fact that more than 80% of the respondents were married should not be surprising considering the age category of the respondents, which, under normal situation are matured adults who are therefore expected to have a family of their own. Similarly, the fact that 70% of the



respondents are male is also expected considering the research area where the responsibility of providing the daily needs of the family is on the male gender.

The low level of educational achievement recorded with over 50% of the respondents having attended only Quranic/Islamiyya school, is expected as we are dealing with informal sector dominated by people with low level of education. The income level of the respondents shows an unexpected result with 34% having low income level of N50,000 and below and another 31% having high income level of N150,000 and above. This shows that the variation is not statistically different, thus market is not dominated by either category of income earners (Table 3).

**Table-3.** Personal Characteristics of the Responding Entrepreneurs and Enterprises

|                                  | <b>Frequency</b> | <b>Percentage</b> |
|----------------------------------|------------------|-------------------|
| <b>Age (years)</b>               |                  |                   |
| 18 and below                     | 19               | 6.4               |
| 19-38                            | 117              | 39.1              |
| 39-58                            | 135              | 45.5              |
| 59 and above                     | 27               | 9.0               |
| Total                            | 299              | 100               |
| <b>Marital status</b>            |                  |                   |
| Single                           | 32               | 10.7              |
| Married                          | 254              | 84.9              |
| Others                           | 13               | 4.3               |
| Total                            | 299              | 100               |
| <b>Sex</b>                       |                  |                   |
| Male                             | 210              | 70                |
| Female                           | 90               | 30                |
| Total                            | 300              | 100               |
| <b>Educational qualification</b> |                  |                   |
| Quranic/Islamiyya                | 164              | 52.2              |
| Primary                          | 52               | 17.8              |
| Secondary                        | 52               | 17.8              |
| Post secondary                   | 17               | 5.8               |
| Others                           | 7                | 2.4               |
| Total                            | 294              | 100               |
| <b>Income of the Respondents</b> |                  |                   |
| Below 50,000                     | 105              | 36.3              |
| 50,000-100,000                   | 55               | 19.0              |
| 100,00 -150,000                  | 38               | 13.1              |
| Above 150,000                    | 91               | 31.5              |
| Total                            | 289              | 100               |
| <b>Number of Employees</b>       |                  |                   |
| 1-2                              | 67               | 24.3              |
| 3-5                              | 43               | 15.6              |
| 6-10                             | 14               | 5.1               |
| Above 10                         | 8                | 2.9               |
| None                             | 144              | 52.2              |
| Total                            | 276              | 100               |

Source: Field Survey, 2014.

#### 4.2. Multivariate Regression Result

The result of multivariate regression is presented in Table 4. The constant variable in the model is statistically significant at 1%. From Table 4 below, the  $R^2 = 0.193$  and the  $F = 9.042$ . From the model, coefficients of independent variables are accounted for; market location of the enterprises ( $\beta = 0.090$ ), Experience of the entrepreneur ( $\beta = -0.179$ ), Government Support to the businesses ( $\beta = 0.089$ ), and access to finance ( $\beta = -0.071$ ) and capital requirement to operate fully ( $\beta = 0.311$ ).

The coefficient of market location (MLO) is 0.090. It has a positive sign but statistically not significant at any level. The coefficient of experience (EXP) as a determinant of market employment capacity is ( $\beta = -0.179$ ). It carries a negative sign and is statistically significant at 1% with probability of 0.008. This is contrary to our *a priori* expectation. Consequently, it implies that, experience entrepreneurs employ less labour than the inexperience ones. This may be due to the fact that, experience entrepreneurs may have already employed enough labour or they may have acquire enough skills to manage enterprises with less labour in order to cut cost and maximize profit.

Moreover, the coefficient of government support (GSP) to businesses in the market is 0.089. It has positive sign in conformity with our *a priori* expectation even though it is not statistically significant at any level. The interpretation is that, businesses that get government support perform better than those that did not get the support by 8.9%. the insignificant nature of the variable indicate that even though the enterprises in the research got government support it is not enough to influence their ability to increase employment. High interest rate that goes along with borrowed finance may be associated with the inability of access to finance to influence the ability of market to generate high employment.

Table-4. Multivariate Regression Result of Market Employment Capacity

| Dependent variable: Market Employment Capacity |             |            |        |       |
|--|-------------|------------|--------|-------|
| Variables                                      | Coefficient | Std. Error | T      | Sig.  |
| (Constant)                                     |             | 1.066      | 3.784  | .000* |
| MLO  | .090        | .164       | 1.446  | .149  |
| EXP  | -.179       | .117       | -2.688 | .008* |
| GSP  | .089        | .381       | 1.467  | .144  |
| ACF  | .071        | .26        | 1.143  | .254  |
| CAP  | .311        | .092       | 4.510  | .000* |
| $R^2 = 0.193$                                  |             |            |        |       |
| $F = 9.042$                                    |             |            |        |       |

Level of Significance at 1% (\*); 5% (\*\*); 10% (\*\*\*)

Source: Authors' Computations.

In line with *a priori* expectation, the coefficient of access to finance (ACF) is  $\beta = 0.071$ , it carries a positive sign even though it is not statistically significant. This implies that market businesses that get adequate access to finance have better employment capacity than those that did not get required access to finance in the sample area. Lastly, the coefficient of capital requirement

(CAP) to operate business fully is  $\beta=0.311$ . It is positive and statistically significant at 1%. This implies that capital is a major factor that influences the employment capacity of the market businesses in state. Moreover, the coefficient of determination  $R^2$  for employment stood at 0.193, whereas F-statistics coefficient was found to be 9.042. This implies that all the variables were approximately jointly significant. The model was found to be adequate in explaining the relationship among the variables. Consequently, it is clear that only experience (EXP) and capital requirements (CAP) are the determinant of market employment capacity in Jigawa state.

## 5. CONCLUSION AND POLICY RECOMMENDATIONS

The findings of the study revealed that markets are important tools for employment generation in the state. The research employed primary sources of data where 300 questionnaires were administered to three major international markets in the state. The data was analyzed using descriptive statistics and multivariate regression analysis. It shows that, market location, experience, government support, access to finance and capital requirement of enterprises are the key determinants of market employment generation of businesses in the state. It further revealed that, capital requirement to operate business fully and experience are highly significant key determinants of market employment capacity of enterprises in the study area.

Also, the activities in these markets serve majority of the market participants' means of livelihood. These markets generate employment to the people of the state. Hence, they are important providers of employment to the people. Therefore, the following policy recommendations are put forward:

- The Government should increase financial support to appropriate market stakeholders to empower them grow their businesses thereby creating more jobs and generating more income for the populace.
- The government should also provide infrastructural facilities in the markets such as shops, stalls, state-of-the-art abattoirs, fence, water supply, electricity, public convenience, mosque, clinics, banks, feeder roads to support the international markets operations and development.
- Government should make necessary policies that should compel relevant agencies, such as; commercial banks, micro-finance banks, SMEDAN, UNDP, ADB, USAID, DFID to increase their support to market traders. This will help greatly in creating employment opportunities for many people in the state and Nigeria at large.
- Government, NGOs, private and foreign investors should boost investment in the sub-sector thereby increasing productivity and employment in the state.
- International agencies such as UNDP, ADB, USAID, DFID should be avail to the activities of these potentially internationally recognized markets that entrepreneurs attend from different countries, so that they can provide support in terms of finance, legal issues, operational mechanisms, etc.

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## APPENDIX

Model Summary

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .439 <sup>a</sup> | .193     | .172              | 1.599                      |

a. Predictors: (Constant),AVP,GSP, ACF,MLO, EXP, CAP

ANOVA<sup>b</sup>

| Model |            | Sum of Squares | df  | Mean Square | F     | Sig.              |
|-------|------------|----------------|-----|-------------|-------|-------------------|
| 1     | Regression | 138.715        | 6   | 23.119      | 9.042 | .000 <sup>a</sup> |
|       | Residual   | 580.435        | 227 | 2.557       |       |                   |
|       | Total      | 719.150        | 233 |             |       |                   |

a. Predictors: (Constant), AVP,GSP, ACF,MLO, EXP, CAP

b. Dependent Variable: MEC

Coefficients<sup>a</sup>

| Model |            | Unstandardized Coefficients |            | Standardized Coefficients | T      | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|--------|------|
|       |            | B                           | Std. Error | Beta                      |        |      |
| 1     | (Constant) | 4.033                       | 1.066      |                           | 3.784  | .000 |
|       | MLO        | .237                        | .164       | .090                      | 1.446  | .149 |
|       | EXP        | -.316                       | .117       | -.179                     | -2.688 | .008 |
|       | GSP        | .559                        | .381       | .089                      | 1.467  | .144 |
|       | ACF        | .305                        | .267       | .071                      | -1.143 | .254 |
|       | CAP        | .416                        | .092       | .311                      | -4.510 | .000 |

a. Dependent Variable: MEC

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