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## Agriculture value chain cluster and job creation in Nigeria

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### Abstract

**Purpose:** The broad objective of this study is to investigate the impact which citing agriculture value chain cluster has on Job creation in Nigeria.

**Methodology:** The study adopted a systematic literature review of prior studies and policies.

**Findings:** The findings are that agribased value chain cluster are cost effective and efficient, competitive and enhances employment generation. The study concluded that its establishment is a panacea for accelerated job creation, clusters will create necessary healthy competition amongst interacting components and guarantee, effortless and organised revenue collection. The study recommends that state and local governments should create agribased value chain cluster in their domain by providing land, security, financial enablers and environment, regulatory framework, while the interacting economic units provide transport, supplies, catering and sanitary services.

**Limitation:** this study is limited by the lack of empirical back up. However, the researcher relied on the empirical studies of prior authors.

**Contribution:** this will be useful in countries like Nigeria and other developing economies agriculture and industrial sectors where unemployment mounts.

### Keywords

agriculture value chain,  
cluster,  
job creation

### Introduction

Unemployment was, without a doubt, regarded as one of the most serious issues plaguing nations' economies.

Nigeria, as one of Africa's developing countries, suffers from the severe and unabated effects of unemployment.

Prior to the introduction of the oil and gas economy, agriculture was the mainstay of the country's economy.

The insufficiency and viability of an oil-based economy in the face of exponential population growth has prompted calls for the Nigerian government to return to agriculture.

To summarize, agriculture in Nigeria has a lot of promise for inclusive growth. It produces food for the population as well as raw materials for the country's industrial development and manufacturing.

Increased agriculture and agribusiness operations show great promise for shifting the economy away from its current strong reliance on oil and toward a more stable and diverse economy.

Agriculture, because of its labor-intensive nature, has a strong potential for producing millions of jobs, reducing the country's existing high rate of unemployment and underemployment and providing wealth for significant poverty reduction. It can help manage rural-urban migration, resulting in improved livelihoods in both rural and urban areas as a result of reduced urban unemployment, crime, and slums.

Nearly 84 percent of Nigeria's land mass, or over 80 million hectares, has been designated as arable. Gallic, ginger, cocoa beans, rubber, groundnuts, rice, millet, wheat, beans, sesame, cashew nuts, cassava, kolanut, maize, melon, palm product, and plantain are just a few of the commodities that can be grown on the fertile area.

However, fewer than half of the arable land is being cultivated, and this number is shrinking.

Furthermore, the country has around 230 billion cubic meters of water and receives abundant and consistent rainfall throughout the year in over two-thirds of its land.

Agriculture continues to be the country's largest employer of labor and has significant potential as a foreign exchange earner.

Despite agriculture's tremendous potential for encouraging diversified, inclusive, and long-term prosperity, Nigeria's unemployment rate has remained unacceptably high over the years.

Looking at recent trends, for example, unemployment has been increasing, rising from 10.4 percent in the fourth quarter of 2015 to 13.9 percent in the third quarter of 2016.

Furthermore, unemployment rose from 27.10 percent in 2020 to 33.30 percent in the third quarter of 2021, resulting in 23.2 million unemployed individuals. Government can carefully provide a regulatory framework, social infrastructure, and security for the formation of agribased firms and their value chain in clusters, taking into account comparative advantage.

This will undoubtedly attract private sector investors and, in some circumstances, foreign direct investment, resulting in the creation of more jobs.

As one final product may be another unit's raw material, the cost effectiveness and efficiency of doing business, as well as healthy rivalry, are at the heart of this attractiveness.

Empirical data on the existing and potential link between agriculture/agribusiness value chain cluster and job development abound in the literature.

However, to the author's knowledge, no detailed study of these two critical issues has been conducted for Nigeria. This study tackles the difficult challenge with the goal of contributing to the literature on agriculture value chain clusters and employment creation in Nigeria.

### **Statement of the Problem**

Nigeria has been hit hard by unemployment, which is wreaking havoc on the country's teeming youth.

With each consecutive government at all levels, the problem has gotten worse.

These governments have churned out a slew of agricultural initiatives to combat the threat, but no real evidence of progress has emerged, while unemployment continues to rise.

The agriculture sector has seen a noteworthy reduction, which is mostly due to the surge in crude oil revenue that began in the early 1970s and has continued to this day.

As a result, less than half of Nigeria's cultivable agricultural area is currently under cultivation.

Even then, most of this land is cultivated skewly by smallholder and traditional farmers who use crude production practices, resulting in low yields.

Smallholder farmers face challenges such as lack of access to modern inputs and loans, poor infrastructure, insufficient market access, land and environmental degradation, excessive statutory and non-state actors' costs (taxes and levies), and insufficient research and extension services.

The inability to meet the financial services needs of farmers and agribusiness owners, who account for around 70% of the population, is widespread. The value chain's units primarily operate from staggered locations which adds to the cost of their products and, as a result, depletes the profit that would otherwise be utilized to expand, resulting in job creation.

This research was prompted by the uneven distribution of value chain components that have received little government assistance and have been denied the opportunity to develop complementary jobs for the country.

### Objective of the study

The major objective of this study is to appraise the impact which agriculture value chain cluster will have on job creation in Nigeria. The specific objective is to ascertain if it is cost effective.

### Research Question

Does agriculture value chain cluster impact Job creation in Nigeria?

Does agriculture value chain cluster create cost effectiveness in Nigeria?

### Hypothesis

**H<sub>01</sub>:** Agricultural value chain cluster does not have any significant impact on Job creation in Nigerian economy.

**H<sub>02</sub>:** Agriculture value chain cluster is not cost effective in Nigeria?

### Conceptual frame work

#### Agriculture

The science, art, or vocation connected with animal production, crop development, agricultural economies, and agricultural engineering in order to provide employment through subsistence or commercial volume for export consumption.

#### Agricultural value chain

This is a broad range of human activities that may include research and development, development and dissemination of plant and animal genetic material, input supply, farmer organization, farm production, post-harvest handling, processing, provision of production technologies, and other ancillary services for the purpose of improving food security in terms of access, availability, and quality of food by increasing production volumes, diversifying farms, and generating new revenue streams.

To put it another way, the agricultural value chain refers to the people and activities involved in getting a fundamental agricultural product like vegetables, garlic, ginger, grains, or cotton from the field to the customer, including regulators, processing, packaging, and distribution.

#### Agricultural value chain cluster

This refers to a group of legally independent producers of goods and services, their providers, creators of technologies and know-how (universities, research institutes, engineering companies, and so on), regulators, infrastructure market institutions (stock exchanges, markets, consultants, and so on), and users who interact with one another within the same value chain around the same geographical location where they have a competitive advantage.

## Job creation

Job creation is the planned and conscious act of creating chances for a group of people to work for remuneration in cash or kind, on their own account, or as unpaid family workers to move a product from one life cycle to the next until it is no longer needed.

## Empirical review

Unemployment, according to Ayinde (2008), is a global economic issue.

It is a major contributor to poverty.

Poverty reduction has long been a top priority for developing countries.

His research is necessitated by the economic cost of unemployment to a society.

As a result, the study evaluates the pace of agricultural growth in Nigeria, as well as the relationship and dimension of agricultural growth and unemployment rates.

Statistical procedures such as the t-test, the Granger Causality test, and regression analysis were used to analyze time series data.

The Cobb Webb theory was re-established by the findings, which revealed that Nigeria's agricultural growth rate has an inverse relationship with unemployment.

Furthermore, increased agricultural growth reduces unemployment, which can help to alleviate poverty.

As a result, policies to reduce poverty should emphasize expanding agricultural growth.

According to Ogunleye (2017), there is a vast body of literature that examines the actual and potential link between agriculture/agribusiness and job development.

However, for Nigeria, no such comprehensive analysis linking these two critical issues has been conducted.

The goal of this study is to add to the literature by finding and reviewing policy-relevant studies on job creation in Nigerian agriculture and agro-processing.

Agriculture and agribusiness have immense potential to foster inclusive growth in Nigeria.

It is labor-intensive and capable of meeting the industry's massive raw material requirements as well as providing sustenance for the teeming populace.

Despite agriculture's tremendous potential for encouraging diversified, inclusive, and long-term prosperity, Nigeria's unemployment rate has remained unacceptably high over the years. The term "inclusive growth" refers to economic growth that is sufficiently broad-based, cuts across all sectors of the economy, benefits the greatest number of people, including the most vulnerable, marginalized, and disadvantaged, and results in more employment.

Economic inclusion, social inclusion, spatial inclusion, and political/institutional inclusion are four components or indices of inclusive progress.

When it comes to agriculture and agro-industry, inclusive growth refers to a growth pattern that produces evident benefits such as increased employment, income, and other welfare-maximizing outcomes for individuals involved in this sector's activities.

These countries' achievements are due to their impressive public policies and investments in agricultural research and development, as well as a large government effort in land reform and a well-sequenced agricultural transformation policy strategy. These countries have taught us two crucial lessons: agricultural policy can only be effective if the underlying institutions are stable and functional, and agriculture reform must be holistic and well-ordered.

Several important emergent tendencies emerge from the literature review.

For starters, agriculture and agribusiness in Nigeria have a lot of promise for encouraging inclusive growth.

Second, there appears to be agreement on fundamental obstacles restricting agriculture's and agribusiness's ability to encourage equitable growth in Nigeria.

Third, policy initiatives that are coordinated and focused are required to mainstream agriculture as a driver of inclusive growth.

Fourth, rural infrastructure is critical for generating and maintaining agricultural employment development and improving rural livelihoods.

Fifth, the expansion of agriculture value chains provides opportunities for greater rural livelihood. Finally, agriculture has a big untapped pool of employment potential.

According to the findings and emerging trends in the literature reviewed, the government should develop agriculture value chains in areas of comparative advantage, develop the agro-industry through upgrading and modernization, give indigenous technology a prominent role in promoting agriculture and agro-industry, develop the export market and promote trade at regional and international levels, promote private enterprise and foreign direct investment (FDI), and promote indigenous technology.

Farmers, particularly teenagers, are encouraged to raise their profile and foster self-sufficiency through self-help organizations. Donors should help promote inclusive growth by providing technical assistance to all segments of the agriculture value chain, improving donor coordination, and promoting strong partnerships among all stakeholders, treating agriculture/agro industry as a national priority, and promoting agribusiness education and youth vocational training.

From 1981 through 2017, Ogbuabor, Alisigwe, and Anthony-Orji(2017) evaluated the impact of agricultural financing and agricultural output growth on job creation in Nigeria.

The Auto Regressive Distributed Lag (ARDL) Model was used to analyze the data in this study. While agricultural finance boosts employment generation in both the short and long run, the lag of agricultural output growth increases employment generation primarily in the short run, according to the empirical findings.

Price and agricultural output were found to have significant effects on employment generation, but labor force population, wages, and aggregate expenditure were minor. The study finds that policymakers should make every effort to ensure that all funds allocated for specific agricultural initiatives and interventions are used to their full potential.

To enhance job possibilities, each scheme and policy should be carefully monitored to ensure that its unique objectives are met.

Despite the vast literature on rural poverty outcomes, Odozi and Adeyonu (2021) claim that the labor employment channel in rural Nigeria has not been thoroughly examined.

The nature of family employment was investigated using socioeconomic data from the three waves of the Nigerian General Household Survey Panel (2010/2011, 2012/2013, and 2015/2016).

We employed a logit model and fixed effect technique to investigate the determinants driving employment expansion and earnings, taking use of the panel character of the data.

According to the descriptive data, agriculture's employment share is still significant, but it has decreased over the time period studied.

According to the study, farm self-employment accounted for a large portion of rural Nigerian employment from 2010 to 2015.

Despite its decline, it still accounts for two times non-farm employment and five times wage employment.

During the time period under consideration, wage employment is at an all-time low and on the decline.

The results of the econometric research point to rural programs that encourage infrastructure development, human capital development, networking, higher income, and income variety.

Creating an enabling environment for productivity and employment-intensive growth across all sectors of the economy, notably in agriculture, is a critical policy priority.

Odozi, Ikhimalo, Awaebez, and Agbuguix (2018) claimed that the agricultural industry is an important source of employment in Nigeria, despite the fact that its employment share has been rapidly declining since 2001.

While economic theory predicts that agricultural labor will drop over time as a country develops.

Academics and policymakers are concerned about the pressing challenge of increasing agricultural production and commercialization to promote employment uptake because of the high unemployment rate in rural areas and low capacity utilization in the manufacturing sector.

In light of this, the study looked at the demand and supply side constraints in the agricultural labor market.

In addition, employment forecasts were made, as well as policy recommendations for a better future.

According to Popoola, Gershon, and Urhie (2017), Nigeria is blessed with abundant land resources, particularly agricultural land, which has been increasing, implying that the country has a greater advantage in increasing agricultural productivity and employment growth in the economy, but this potential is not being realized.

The purpose of this research is to look into the impact of modern agriculture on employment growth in Nigeria.

The study used the Recursive Ordinary Least Square estimation method as its approach.

Foreign Direct Investment, Export, Export Price Index, Agricultural Value Added per Worker, Agricultural Output, Agricultural Machineries & Tractor, Agricultural Credit, Inflation Rate, Exchange Rate, Government Education Expenditure, and Employment Rate were the variables included in the model. The results show a significant and positive relationship between agricultural productivity growth and modern agriculture, a significant and negative relationship between export price index and agricultural productivity growth, a significant and positive relationship between export and investment, and a significant and positive relationship between investment and employment growth, using time series data spanning from 1980 to 2014.

Based on the findings, the author recommends that the government pursue a balanced growth of both the agricultural and industrial sectors in order to ensure both forward and backward connections for the general development of the Nigerian economy.

Okenna (2020) looked on the impact of previous funds granted to the agricultural sector on Nigeria's economic development and contributions to poverty reduction and unemployment reduction.

Based on the findings, the research looked into the influence that future increases in the sector's financing will have on poverty reduction, job creation, and economic development, as well as identifying other potentials the agricultural sector has to spur economic growth and development.

Based on the findings, a number of development-friendly policies and recommendations were proposed, which, if followed, will help to attract both foreign and domestic investors, resulting in the needed change and desired outcome.

Other potentials in the agriculture sector that can positively impact the country's existing potentials were also found and recommended in the investigation.

Inadequate funding has harmed agricultural output and farmers' income in Nigeria, according to Adegboyega (2020), which generally hinders job development and raises the unemployment rate.

As a result, the study used time series data from the Central Bank of Nigeria (CBN) and the World Bank database to investigate the impact of agricultural funding on Nigeria's unemployment rate from 1981 to 2018.

Our findings reveal that AGRIC GDP, AGRICL TL, GR, LR, and RUTP have a long run association with UNEMPR and are statistically significant using Johansen's cointegration, Error Correction Method (ECM), and Granger causality analytical methodologies.

Furthermore, the ECM of around 57 percent, which is statistically significant, indicates an acceptable rate of adjustment and corresponds to roughly 57 percent of the errors being corrected. The study recommends among others that government policy on agricultural credit should place more emphasis on strengthening banks' commitment.

According to Kenny (2019), the role of agriculture in sustaining economic growth has been a major source of debate in the literature for a long time, and the debate is still going on among researchers with no clear conclusion.

Agriculture, on the other hand, is the backbone of any rising economy and thus a prerequisite for industrialisation.

The study investigates the impact of Nigeria's agriculture industry on the country's economic growth.

The key findings revealed that agricultural domestic output and its explanatory variables had

a significant long-run relationship (Agricultural Credit Guarantee Scheme Fund, Federal Government current expenditure on agriculture, total employment and effect of trade liberalisation). The VECM result found that the endogenous growth model, which includes the Agricultural Credit Guarantee Scheme Fund, Federal Government current expenditure, total employment, and the effect of liberalisation (SAP) on agricultural domestic production, adjusts at a 35 percent rate, implying that agricultural interventions will take at least 24 months for one half of their effect to be significant on production in Nigeria.

As a result, policy consistency and government commitment are essential before such intervention may provide the desired outcomes.

In Sub-Saharan Africa, Asogwa and Onyegbulam (2021) investigated the extent to which agricultural value-added output translates to job creation and regional integration.

From 2000 to 2017, data was collected from 22 countries in the region and analyzed using a Dynamic panel data Econometric model using the Generalized Method of Moment (GMM).

The data for this study came from World Bank Development Indicators, and it was calculated using a mix of Okun's law for growth and Ohlin-Vanek (1968).

Grew agricultural value-added output lowered unemployment by 0.102 percent, while regional integration increased by 0.441 percent, according to the study's findings.

Agro-allied industrialization production has a long-run elasticity of 0.56 percent to regional trade. Hence, the study supports agricultural policies that promote agricultural value-added output to improve regional integration and a reversed unemployment trend in the region.

Olajide, Akinlabi, and Tijani (2012) investigated the link between agricultural resources and Nigerian economic growth.

The data was analyzed using the Ordinary Least Square regression approach.

The findings found that in Nigeria, the gross domestic product (GDP) and agricultural output have a positive cause and effect connection.

Between 1970 and 2010, the agricultural sector is estimated to have contributed 34.4 percent of the variation in Nigeria's gross domestic product (GDP).

During the height of the oil boom in the 1970s, the agricultural sector was neglected.

To develop agriculture, the government should ensure that farmers receive special incentives, appropriate money, and physical facilities such as good roads, piped water, and power are available. The increasing prevalence of youth unemployment in Africa, particularly in Nigeria, remains one of the obstacles to social and economic stability, according to Bello, Baiyegunhi, Mignouna, Adeoti, Dontsop-Nguezet, Abdoulaye, Manyong, Bamba, and Awotide.

As a result, the Nigerian government adopted many interventions to minimize young unemployment, including the Youth-in-Agribusiness (YIA) program.

However, the impact of these programs on the establishment of gainful employment has yet to be determined.

The study looked into the impact of the YIA program on youngsters finding productive work.

Cross-sectional data was collected from 668 youth in South Western Nigeria using multistage random sampling.

The calculations were made using propensity score matching and endogenous switching probit methods. Educational attainment, access to training, non-agricultural activity, membership in a youth group, access to credit, productive resources, and youth location were all found to be

relevant in influencing youth participation in the YIA program.

Furthermore, teenagers who participate in the YIA program have a considerable favorable impact on finding gainful employment.

Strengthening social capital, such as youth organizations, credit schemes (both private and public), vocational training, and educational systems, is critical in increasing youth engagement in the YIA program and eventually meaningful employment, according to the study.

CESA (2014) used a survey study approach and found that recent achievements of solid economic development accompanied by rising unemployment rates represent an unexplored paradigm in the Nigerian economy's history.

Despite an average annual growth rate of 7% from 2004 to 2012, unemployment increased from 13.4% to 27.4%.

Unemployment among young people, in particular, increased from 29% to over 40%.

When the drivers of recent expansion are considered, the experience becomes even more perplexing.

Agriculture, commerce and distribution, and communications – non-oil industries that are regarded natural job producers – account for more than 80% of economic growth over the period. While the rising unemployment rate is partly owing to the influx of new entrants into the labor force, it is more significantly due to the lack of economic growth to produce meaningful jobs.

Economic expansion has been accompanied by net employment loss in the past, particularly during the financial crisis.

In development circles, the recognition of the necessity for growth to create jobs and eliminate poverty has given rise to the increasingly popular qualification of economic growth in terms of "inclusiveness" and "pro-poorness."



Indeed, there is a renewed focus on fostering growth in industries with high labor absorption rates, with the hope that expanding those industries will result in increased labor demand and, as a result, higher employment rates.

On the basis of statistics demonstrating that agriculture is the largest employer of workers, there is a prevalent view that it is agricultural growth.

However, given lessons from the history of industrialized countries, it is unclear whether agricultural growth will consume more or less labor.

The argument for higher labor absorption contradicts factual and stylized facts that show that agricultural growth leads to lower labor absorption.

The idea of employment creation as a means to economic progress, rather than an aim, is a distinct strategy to attaining inclusive growth that is garnering interest within the development community. This novel method recognizes that economic growth is underpinned by successive gains in value addition by economic agents and other factor inputs (subject to taxes and subsidies); consequently, growth in employment of productive factors would lead to economic growth.

As a result, the focus has switched to looking at new ways to create jobs and industries with high job potential in order to promote more inclusive economic growth.

From 1970 to 2009, Uma, Eboh, and Obidike (2013) examined the impact of agriculture on Nigeria's economic growth.

They looked at the impact of various agricultural methods' output on real gross domestic product (rgdp), a measure of economic growth.

The study's data came from a secondary source.

The unit-root hypothesis was tested using enhanced Dickey-Fuller and Phillips Perron tests, and the Johansen co-integration test revealed a long-run link between the dependent and independent variables.

A model for error correction was developed.

The data was analyzed using the ordinary least square approach.

Crop production, livestock, and fishing all contributed statistically insignificant amounts to economic growth, according to the study.

During the research period, only forestry contributed considerably to growth. The combined effect of the variables, on the other hand, was considerable.

They advised that the federal, state, and local governments build integrated agriculture in all wards of each local government; corruption should be addressed; and the Chinese government's dramatic food production reform should be emulated.

According to Cervantes-Godoy and Dewbre (2010), the Millennium Declaration established the goal of halving the number of people living in severe poverty by 2015.

Because of outstanding development in several developing nations, accomplishing that goal on a global scale is now a realistic possibility.

Many countries, however, will fall far short of the aim, with up to 1 billion people expected to remain impoverished by the deadline.

The research looked at the features of twenty-five developing countries that have had exceptional achievement in eliminating severe poverty in the last twenty to twenty-five years.

The macroeconomic aspects of these countries, particularly their agricultural economic characteristics, were compared.

The countries chosen for analysis are a broad collection. The group contains some of the world's poorest and wealthiest emerging countries, as well as countries from practically every geographic region.

The countries' governance and economic management systems also differ significantly.

Yet, not only in terms of poverty reduction, but also in terms of the broad range of macroeconomic and agricultural economic performance criteria used to compare them, they are strikingly comparable.

While economic development was an essential contributor to poverty reduction overall, the sector mix of growth mattered significantly, with growth in agricultural incomes being especially crucial, according to findings from time-series, cross-section regression analysis.

Ojiya, Okoh, Mamman, and Ngwu (2017) used secondary yearly time series data from the World Bank database (2016) and the Central Bank of Nigeria Statistical Bulletin to explore the effect of agricultural input on agricultural productivity in Nigeria from 1990 to 2016. (2016).

Unit root test using the Augmented Dickey-Fuller (ADF) approach, long-run association test (Johansen cointegration), Granger causality test, and subsequently the Ordinary Least Squares (OLS) multiple regression method were used in the study.

The model's variables were both stationary and had a long-run equilibrium relationship.

The conclusion of an empirical OLS regression demonstrated that government spending and agriculture output have an inverse relationship. The study concluded that the Nigerian government should implement policies and modalities that will encourage existing banks (both commercial and agricultural banks) to make credit facilities readily available to farmers, with personnel assigned to monitor and ensure that such funds are used judiciously for the purpose

for which they were taken; government must provide funds to acquire sophisticated farm tools (harvesters, tractors, herbicides, fertilisers); government must provide funds to acquire sophisticated farm tools (harvesters, tractors, herbicides, fertilisers); government must The government's current lackluster and boring approach to the handling of allotted cash must change.

To serve as a deterrence to other intending treasury thieves, corrupt civil workers, contractors, and bureaucrats who divert and misappropriate authorized funds for the sector's growth must be penalized.

To do this, the various financial crimes commissions, like as the EFCC and the ICPC, should be strengthened.

Oladotun and Anifowose (2017) researched the impact, explored the potential, and highlighted the teething problems that have obscured the agriculture sector's important role in the Nigerian economy's development.

Using annual time series data, the study covered the years 1970 to 2010.

The impact of the agriculture sector on Nigeria's economic growth was investigated using the Ordinary Least Square (OLS) estimation method. Gross Domestic Product (GDP), agricultural output, agriculture's proportion of GDP, agricultural production index, and agricultural output to GDP ratio are among the indicators used.

The findings of the research revealed that the Nigerian agricultural industry contributes significantly to the country's economic growth, but its over-dependence on the oil sector has cast a pall over the potentials of the sector. In conclusion, some of the study's recommendations were that Nigerian agricultural policy should be evolved; there is a need for a national re-orientation toward agriculture or farming; agriculture financing, institutions providing finance and credit to rural farmers, should be

supplemented with the provision of road networks, rail systems, and warehouses, in order to further encourage farmers to increase their production.

Policy Brief by Utafiti Sera (2018)

Evidence from Two Value Chains in Nigeria to Boost Job Creation Through Agro-industrial Clusters

Job development in agriculture, particularly for women and young, has been a prominent policy goal for successive Nigerian governments.

According to a recent study, employment generation in other value chains such as cotton-textile is still low, despite consistent development in some value chains such as rice through programs such as the Anchor Borrowers' Programme (ABP).

The study also discovered that, even in the relatively more successful rice value chain, agro-industrial clusters had a greater potential for increasing employment.

According to Ogunjirin, Raimi and Fadipe, (2017), the Nigerian economy is heavily reliant on the oil sector for foreign exchange earnings, but the recent drop in oil prices on the international market has made economic diversification a top priority.

The goal of this research is to look into the possible roles of industrial clusters in Nigeria's economic diversification.

The study used a critical discourse analysis and gathered data on cluster formation and diversity from scholarly articles and policy documents.

Content analysis was performed on the generated non-numerical data, and meaningful conclusions were drawn.

The six geopolitical zones were discovered to have vast natural resource endowments, from

which various clusters may be built as springboards for Nigeria's desire for economic diversification. The development of a strong industrial base, GDP growth, import substitution, export promotion, food self-sufficiency, spin-offs, urbanisation, agglomeration, employment opportunities, infrastructural enhancement, poverty reduction, and improved citizen wellness are all potential benefits of cluster development across the six geopolitical zones.

This paper's implication is that it offers a long-term strategy for economic diversification through cluster formation.

The conclusions drawn from this theoretical work should be supported by empirical research and testing.

Throughout the face of declining oil revenue, the report finishes with a broad proposal that Nigeria's three levels of government embrace cluster development in the country's six geopolitical zones.

Onuoha, Peripaul Oluchukwu, and Woghiren, Uhunoma (2019) looked at a variety of job-creation measures that policymakers can use during economic downturns.

This article is a wide assessment charting the landscape of job creation tactics, rather than an attempt to establish which job development strategies work "best."

The strategies in this study are divided into four groups.

Many of the solutions we explore serve more than one of these categories; when executed properly, they can all help stabilize the economy and add net new jobs.

While robust economies can focus on long-term employment growth and labor supply tactics, the current recession in Nigeria necessitates government practitioners to concentrate more specifically on generating labor demand and employing workers now. Practitioners must

balance long and short-term goals in job creation, realizing that few policies can serve both.

Jijji, Ayinde, Kwaghe, Agbiboa (2016).

The policy initiatives undertaken by several government regimes to boost agriculture's production and impact on the economy have not yielded substantial benefits in Nigeria.

While the government continues to spend its scarce foreign exchange on enormous food imports, underemployment and unemployment persist, problems that agriculture has the ability to solve.

Despite government neglect during the oil boom of 1970–1985, when the oil industry had priority in government investment programs, there have been targeted governmental efforts to resuscitate the sector as a source of food and foreign exchange, as well as a significant employer of labor. The programs intended to increase agricultural output as well as the amount and quality of jobs available, which are generally low-wage, irregular-paying, vulnerable, casual, and insecure.

The realization that youth unemployment was a contributing factor in social unrest pushed job creation to the top of the Agricultural Transformation Agenda's priority list when it was launched in 2011, with a focus on developing "agripreneurs" from a pool of young graduates who had previously been excluded from economic growth.

This paper uses rice and cotton as examples to try to figure out why these policies failed.

Farmers, agricultural processors, government officials, researchers, traders, and financial service providers in Kaduna, Katsina, Kebbi, Zamfara, and Ebonyi Ekiti and Lagos states participated in field observations, key informant interviews, and focus group discussions from 1–15 August 2015.

The policies' failure is attributed to the ruling coalition's lack of political support; the bureaucracy's inability to handle and process information, monitor actor behavior, and articulate the industry's vision; fragmentation and disorganization of value chains; and a lack of interagency coordination and networking among stakeholders.

Abah, Edeme, and Idongesit (2020)

Following a series of initiatives, the Nigerian agricultural industry has seen significant upheaval in recent decades.

Despite these efforts, there are still a number of obstacles to overcome in the optimization of agricultural value chains.

The method used in this study is to look at the agricultural value chain and its vertical and horizontal components, as well as the essentials required for its improvement.

The elements are drawn from key theoretical streams on inter-company relationships and value chain literature.

The research also includes a network model for clarifying the relationships between agriculture industry important actors.

This model allows us to evaluate the process in the context of creating value in the Nigerian agricultural sector, and we discovered that the country's agricultural potential is considerable. The value chain, on the other hand, is severely underdeveloped.

A diversified approach is required to maximize the value chain in Nigeria's agricultural sector.

Such a strategy would provide agricultural value added chain enablers with innovation, collaboration, market power, governance, and necessary intervention, particularly for private smallholder (scale) farmers.

Interventions aimed at a specific component of the value chain (processing and storage) as well as small-scale producers must be devised and implemented. In Nigeria, Okwudili, Muhammad, Gorondutse, and Rahmon (2020) investigated the contribution of agricultural processing value chain products to job generation.

The goal was to see if insufficient irrigation and mechanized farming equipment, as well as insufficient funding, infrastructure, and storage facilities, affect the development of jobs in the agricultural processed value chain.

It used a quantitative approach in which a questionnaire was used to obtain primary data.

The study's scope included all of Nigeria's six geopolitical zones, and the population included all farmers, personnel, and stakeholders in the agricultural processed value chain. The sample size of 390 was chosen according to Manion and Morrison (2011); the variables were evaluated using a four-point Likert scale, and the item's reliability was calculated using Spearman's Correlation, with an index of .82, which was considered high for the study.

The hypotheses were examined using inferential statistics of regression analysis at the 0.05 alpha level of significance, while the cumulative mean was produced and compared to a standard/decision mean.

More dams and agricultural storage facilities should be built, as well as better financial credit opportunities, according to the report.

In Ethiopia, Wossen and Ayele (2018) looked at empirical evidence on the relationship between agricultural transformation, agribusiness ownership structure, and job creation.

It uses secondary data to show evidence of Ethiopia's agricultural transformation, employment patterns, and the role of the agribusiness sector in job creation.

The agricultural industry in the country is undergoing a revolution, with labor migration to more productive manufacturing and service sectors, as well as productivity development through commercialization and the emergence of agribusinesses.

The findings imply that the expanding number of agribusinesses is creating more jobs for youngsters, but they also highlight a number of obstacles to overcome, including skills gaps, poor pay in the private sector, and rigid land ownership and transfer processes. The study suggests targeted policy reforms to incentivise efficient and competitive private agribusinesses, and to address agribusiness-related constraints, skills and wage gaps, as well as land ownership and rental market constraints.

Ogunjirin, Raimi, and Fadipe (2017)

The Nigerian economy is heavily reliant on the oil sector for foreign exchange earnings, but the recent drop in oil prices on the international market has made economic diversification a top priority.

The goal of this research was to look into the possible roles of industrial clusters in Nigeria's economic diversification.

The study employs a critical discourse analysis, including data on cluster growth and diversity sourced from scholarly articles and policy documents.

Content analysis was performed on the generated non-numerical data, and meaningful conclusions were drawn.

The six geopolitical zones were discovered to have vast natural resource endowments, from which various clusters may be built as springboards for Nigeria's desire for economic diversification. The development of a strong industrial base, GDP growth, import substitution, export promotion, food self-sufficiency, spin-offs, urbanisation, agglomeration, employment opportunities, infrastructural enhancement,

poverty reduction, and improved citizen wellness are all potential benefits of cluster development across the six geopolitical zones.

This paper's implication is that it offers a long-term strategy for economic diversification through cluster formation.

The conclusions drawn from this theoretical work should be supported by empirical research and testing.

Throughout the face of declining oil revenue, the report finishes with a broad proposal that Nigeria's three levels of government embrace cluster development in the country's six geopolitical zones.

It is a well-known truth, according to Iwuagwu (2011), that industrialisation is essential for economic progress.

In fact, there isn't a single developed country that hasn't been industrialized.

Industrialization, on the other hand, can only happen if there is a focused administration with the political will to enact clearly defined policies that can shift the nation's processes away from primary production.

Nigeria's experience demonstrates that the country has never been short on policies.

What is constantly missing is political will to implement, which is compounded by the rapid change of government officials, culminating in the abandonment of most policies. The study therefore argues that even the new industrial development strategy introduced by Nigeria, which is anchored on the cluster concept, will most likely suffer the same fate unless something is urgently done to reverse this ugly trend.

Knowledge and clusters were examined by Jednak and Parzenin (2018) as drivers of economic development and competitiveness.

A theoretical overview of the formation of knowledge and clusters will be offered.

An overview of indicators (economic growth, GDP per capita, unemployment, GCI, Innovation Indexes) will be presented, followed by a discussion of the findings based on the indicators for EU candidate nations.

The relationship between cluster growth and competitiveness will be investigated.

Knowledge and clusters are important drivers of economic development and competitiveness in those countries, but they are not the most important determinants.

Other factors have a greater impact on growth and competitiveness.

The paper's main flaw is the lack of empirical studies and data from the nations studied.

More study will be focused on a specific sector and one EU country. In a strong cluster, higher job creation and patenting growth, as well as complementarity between employment and innovation performance, could be achieved (Delgado et al., 2014).

Cluster-based development strategies are designed to address a wide range of important aspects for business success, and they encourage enterprises to compete for innovation and growth (Ketels and Memedovic, 2008). As a result, competitiveness rises, but employment and incomes remain stable or rise. Due to interactions among government agencies and institutions, businesses, universities, and research institutes, cluster formation influences regional development and subsequent economic development.

## **Methodology**

The methodology adopted for this study is literature review of related studies (Hannah, 2019). The area of study and population is Nigeria. Inferences were made from the review.

The conceptual model has combined the ideas of various interactors in the cluster. The conceptual model presents the conceptualized interaction among individual farms, (independent variable), security, drivers, government, suppliers, financial environment (moderating variable) and Job creation (dependent variable).

Model specification

Y- x

y- f(x)

y- f(x1, x2, x3.....x8)

where;

y- Job creation

x1 = land provided by govt

x2 = financial environment

x3 = security

x3 = suppliers

x4 = Transporters

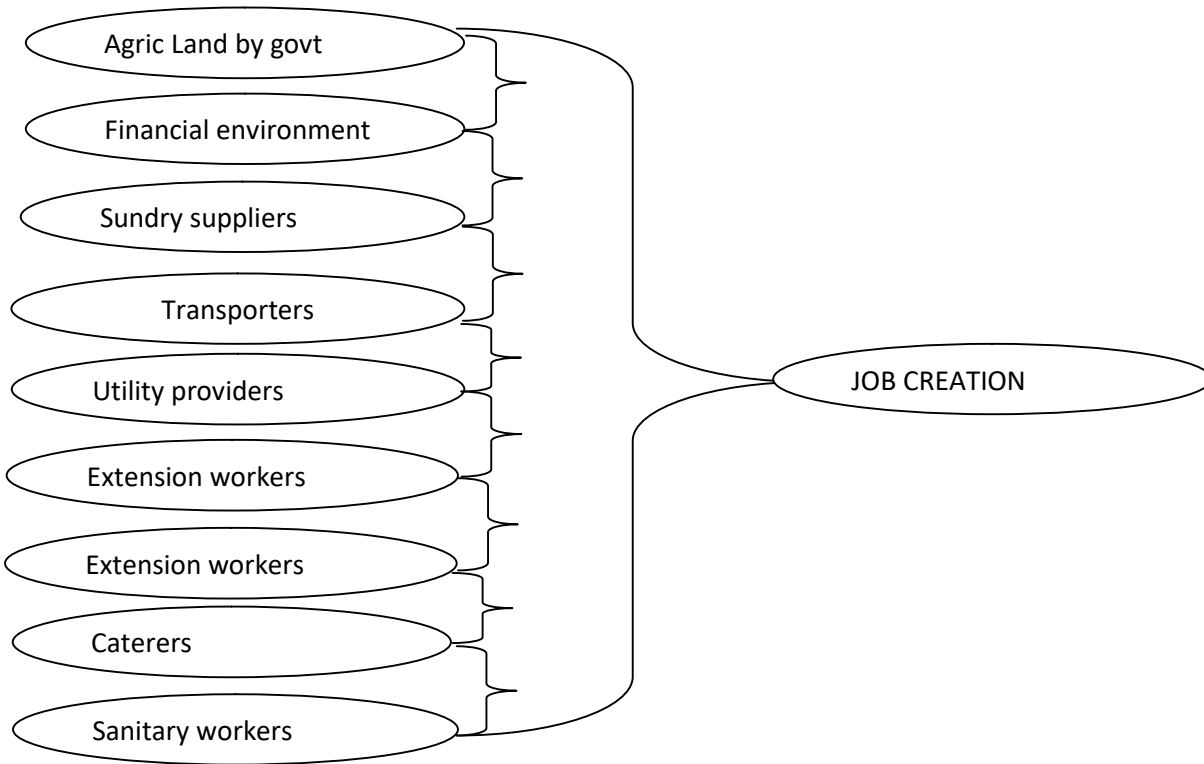
x5 = utility providers

x6 = extension service workers

x7 = caterers

x8 = sanitary workers

**Conceptual model**



*Authors concept 2022*

**Discussion**

The body of literature reviewed and critical analysis has revealed that job creation in agro based value chain cluster is higher than mono based skewed arrangements (Utafite sera policy brief 2018). Ayinde (2008) revealed that

Nigerian agricultural growth rate has an inverse relationship with unemployment and recommended robust policy such as cluster arrangement of agro based value chain to enhance job creation in the country. Similarly, there exist a huge potential of agriculture in Nigeria which concerted government consistent policy can drive

home safely (Ogunleye 2017). Agriculture value chain cluster is less expensive, efficient and can increase employment by 0.102% when monitored closely and financed adequately. This is likely as the agro based businesses are integrated and form support for the other in the community (Ogbuabor, Alisigwe & Orji, 2021, Okenna, 2020, Adegboyega 2020, Asogwa & Onyegbulam 2021, Uma, Eboh & Obidike 2013). Nigeria is gracefully situated on mineral deposits from which clusters can be comfortably developed as springboards for sky rocketed employment. These clusters are established based on the comparative advantage the government on the most available mineral deposit. That means that geographical locations with crop plant, gold, aquatic foods etc should create clusters of the value chain (Edeme, Igongesit & Abah 2020; Raimi, Fadipe & Ogunjirin 2021; Okwudili, Muhamad, Gorondutse & Rahamon 2020). Furthermore, Iwuagu (2011) acknowledges that the cluster concept of agrobased value chain cluster is a perfect idea but enjoined government to wield the political will to implement it in all the geographical zones of the country. Cluster based development is said to cover many aspects of government activities aimed at generating employment in all the facets and departments simultaneously. It also encourage healthy competition amongst the interacting sub units in the cluster value chain ecosystem (Jednak & Parazenin 2018).

In summary, it is evident that agro based value chain is advocated by prior authors as they highlighted its merits of cost effectiveness and efficiency, competition and enhanced employment generation to compliment that of government.

## Conclusion and Recommendation

This study on agriculture value chain cluster and job creation in Nigeria was set out to critically review and analyze related literature with the major aim of drawing inferences and making policy recommendation. The study, drawing inference from the submission of the authors in the literature reviewed, concluded that agriculture

value chain cluster establishment is a panacea for accelerated job creation across all age brackets and regions as it affects it significantly. The study also concluded that clusters will create necessary healthy competition amongst interacting components. It also provides guaranteed, effortless and organised revenue collection environment and makes all stakeholders transaction cost effective and efficient.

Against this backdrop, the study recommends that state and local governments should create agrobased value chain cluster that are comparative advantage based in their domain. In the creation, they should provide land, security, financial enablers and environment, regulatory framework, while the interacting economic units provide transport, supplies, catering and sanitary services. Students of tertiary institution should share knowledge with the practical environment to enhance productivity and in turn higher job creation.

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