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Labour Dynamics and Sustainable Development Goal on Poverty Eradication: Micro Evidence from Rural Nigeria

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ABSTRACT

This paper examines the effect of labour dynamics on poverty reduction among farm households in rural Nigeria with a view to proffer possible suggestions on how to achieve sustainable development goal on poverty eradication. The paper used data of the third wave of the Nigerian General Household Survey conducted by the Nigerian Bureau of Statistics in collaboration with the World Bank in 2015/2016 for its empirical analysis. Propensity score matching approach was used to compare the economic wellbeing of farm household that depend on only farming activity with those that diversified into non-farm activities. The results revealed that non-farm economy has a positive and significant effect on consumption expenditure of the households irrespective of their poverty status. However, it contributes more to the wellbeing of non-poor households than the poor ones. This implies that sustainable development policies seeking to address rural poverty should not only focus on agricultural development. They should also consider enhancing the ability of poor households to diversify into high return non-farm activities. Further, they should also focus on the development of nonfarm economy in the region through promoting nonfarm investment opportunities, rural banking scheme, cooperative societies, educational programmes and community infrastructures.

KEYWORDS Labour dynamics; Sustainable Development Goal; Poverty reduction; Rural household

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