

The Determinants and Coping Strategies of Economic Shock Among Rural Households: A Study of Akinyele Local Government Area of Oyo State, Nigeria.

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Nigeria is the most populous country in Africa with 2014 population estimate of 178.5 million. Also, Nigeria has the largest economy in Africa and the twenty sixth in the World. Out of this population, 50% live in rural areas. The economy of the rural area is predominantly agricultural, and this sector employs approximately two-third of the country's total labour force and provides a livelihood for about 90 per cent of the rural population. Agriculture contributed 26.63% of Nigeria's third quarter real GDP in 2014. The uncertainty regarding the future that many rural households face originates from the diverse sources of risk such as: harvests failure, increase in food prices, and illness or death of the main income earner. The inability of many rural households to cope with shocks has gotten them trapped in poverty and hinder their potential to feed themselves when they experience shocks.

Different studies on sustainable livelihoods, vulnerability, shocks and coping strategies are focused on different aspects by the researchers. The justification for this study was based on the need to find out what determines the coping strategies rural households adopt when they are faced with shocks. Also, it examined the effectiveness of these coping strategies on the well-being of the people. The study also filled the gap created by contemporary realities in the field of shocks and coping strategies.

The main aim of this study was to assess the determinants and coping strategies of economic shock by rural households in Akinyele Local Government Area of Oyo State, Nigeria.

This study made use of a blend of qualitative and quantitative research methods in order to explore the available sources of information. Further broken down to use of questionnaires and focus group discussions for primary data, with rural households as the unit of observation.

The questionnaire was divided into four different sections to elicit information, while, for focus group discussion, two questions were asked and the groups were given opportunity to discuss.

The study revealed that rural households were exposed to and were affected by many negative shocks in the study area. Shocks were idiosyncratic and covariate shocks. The study revealed six major shocks that affected the income: illness, death of family members, stealing of properties/produce, illness or death of livestock, crop failure, and sharp downward change of price. Illness and price change affected most of them.

In addition, the study found that majority of the respondents adopted four principal coping strategies: drawing from past savings, sale of assets (livestock, land, others),

borrowing money/products from extended family members and friends, and engaging in multiple income generating activities. This guaranteed their ability to smooth consumption in the face of shock.

The study revealed that a significant difference was noticed in respondents' state of well-being in areas such as: food availability, interpersonal relationship among household members and interpersonal relationship in the community after adopting the coping strategies. This explains the effectiveness of the social protection system operational in the communities.

Key words: shock, coping strategies, consumption, rural households