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Income Distribution and Inequality: gender, labour market status and macro-economic policy

Abstract

This paper examines the impacts of gender and labour market status on income distribution and inequality. This is against the background of the macroeconomic policy instruments deployed since 1982 in Nigeria. The study is based on data from a sample survey of 473 households (with 2,412 members) drawn from the urban, semi-urban, and rural areas in southwestern Nigeria. The study shows a complex relationship between the key variables. The relationship between gender and the size distribution of personal or per capita household income is statistically significant. However, among heads of household, the relationship is not significant. Income inequality is more pronounced among female-headed households. Labour market status also yields a complex picture. The relationship between labour market status and the size distribution of income (personal and per capita income) is significant. Households whose heads are in wage employment are worse off than those with heads in self-employment. When gender is loaded, labour market status remains statistically significant for the size distribution of income. Income inequality has worsened under adjustment; but at a much deeper rate than some other studies suggest. Urban inequality is deeper than is generally acknowledged, and those in wage employment are particularly hard hit, while owners of capital have done quite well. Finally, while vulnerability among women in low pay has increased, the income inequality is as much a function of class as it is of gender.

1. Introduction

The concern with income distribution is not a new one (Aboyade 1983, p.301), and neither is the attempt to locate the critical factors in employment (Lecaillon *et al* 1984, p.2). Indeed, the concern with income distribution has been central in economics and the study of the development process. As Aboyade noted, the idea that 'the study of development process has... a strong plank on income distribution' (1983, p.301) was central to classical economics. The rise of neo-classical economics was to interrupt this concern as a central issue in the development process. The envisaged trickle-down phenomenon was expected

to take care of the 'hind-leg' of income distribution and aggregate welfare. Whatever the broad concerns of John M. Keynes with demand-side management – and the more specific concerns of Franklin D. Roosevelt's New Deal and Lord Beveridge (in the United Kingdom) in creating the Welfare State – the broad thrust of economic thought was dominated by the neo-classical synthesis.[1] The strain of the 'neo-classical synthesis' that dominated economic thought after the Second World War, and defined the framework of the emergent development economics, was in the main concerned with the expansion of production and national wealth. Very little attention was paid at this stage to the distributional issues in such 'wealth of nations'. While per capita national income may rise or fall the question of inequality in the 'share' of such income, came into ascendancy as part of the disillusionment with the 'first decade of development'[2]. Simon Kuznets's works (1955, 1963, 1966, 1976) on the long-term relationship between economic growth and 'the overall size distribution of income' were within the analytical framework of the neo-classical synthesis. Broadly speaking, Kuznets argued that in the early stages of economic growth income inequality will increase while at much later stages the inequality in income will greatly reduce: this is the *U-hypothesis*. In other words, that the long-term direction of a market-led development process will pass an increasing share of the benefits of economic growth to the lower income groups. In the short-term, however, economic growth will increase inequality, but we can trust the market to reduce the level of inequality and increase the share of the bottom groups. As it pervaded the sub-texts of Development Economics in the 1950s and the early 1960s, so would similar language and assumptions gain ascendancy in the 1980s with the neo-Right 'counter-revolution' (Toye 1983) in this subject.

However, the optimism of the professional Development Economists – of growth with a flatter distribution curve – was not universally shared. The critique of the capacity of peripheral (neo-colonial) capitalist development to trickle-down the benefit of economic growth came largely from the Left, and is identified with the works of Baran (1957), Prebisch (1959) and Mydral (1968). By the late 1960s, critique had turned into disillusionment. The disillusionment found institutional resonance within the International Labour Organisation (ILO). The World Employment Programme (WEP), launched in 1969 was ILO's response to the challenge of economic growth with rapid reduction in inequality. Although the programme was largely concerned with reducing unemployment and underemployment and creating income-earning employment, the issue of income distribution was at the heart of its mandate (Lecaillon *et al.* 1984). So was identifying the characteristics of the poor, factors associated with or that explain income inequality, and how governments can improve income distribution (Lecaillon *et al.* 1984, p.3).

By 1974, the World Bank had adopted the income 'redistribution' agenda (Chenery *et al.* 1974), and the 'basic needs' initiative of the ILO. There was a

dramatic rise in the Bank's publications and policy statements committing it to reducing poverty and basic needs initiatives: essentially 'redistribution with growth'. Within a little over five years though, such commitment to 'higher ideals of humanity' gave way to more 'practical concerns' within the Bank. The Bank was back to a market-led, pricist orientation. The change went with a wholesale reinvention of the World Bank and the IMF; extending their mandate beyond what their charters could have envisaged at the Bretton Woods negotiations (cf. Miskell 1994, Elson, 1994).

The concern with gender and labour market status owes much to ILO's experience with the WEP. The inbuilt gender bias in some important concepts used in labour statistics is something that the research programme showed. The distinction between 'job' and 'work' is a case in point. Most women based within their homes and engaging in petty-commodity production did not consider their economic activity as constituting 'a job'. Neither did labour statisticians appreciate the gender-bias in the assumption that such economic activities do not constitute 'employment'. The feminist labour debate has drawn our attention to the production of use-value within the household, which is generally not considered in estimating the 'economically active labour force' or national wealth. Women largely undertake such production for use-value. What then is the relationship with income distribution? Several studies have shown the relationship between gender and vulnerable labour market location.[3] On the one hand, several studies have shown that income distribution is sensitive to labour market status (Rodgers 1989, Rodgers and van der Hoeven 1995, Lachaud 1994a, 1994b). On the other hand, the sensitivity to the gender of the head of household is more ambiguous, although overall gender sensitivity is acknowledged (Lipton and Ravallion 1995b, Lipton and van der Gaag 1995).

The primary concern of this paper is with the sensitivity of income distribution and inequality to gender and labour market status (separately and combined). We are concerned with the separate and combined sensitivity of income distribution and inequality to gender and labour market status. A secondary consideration is the impact of adjustment on this sensitivity. The field survey was done over six years after the formal adoption of the Adjustment Programme in Nigeria; we can assume that the findings will capture some of this impact. What are the salient policy aspects of the adjustment programme that may affect this relationship?

In Appendix 1, indicators of a set of policy instruments that were deployed under the stabilisation and liberalisation phases of structural adjustment are presented. Clearly, the stabilisation phase was concerned with restraining public spending as a means of reducing budget and fiscal deficits. Recurrent expenditure (which covers salaries and other emoluments) restraints were an essential aspect of this fiscal adjustment. The result, as can be seen, is that the proportion of government recurrent spending on education for instance fell

from 8.7% in 1980 to as low as 1.0% in 1991. Obviously, this negatively impacted on those employed in this sector.

The liberalisation dimension, especially the use of monetary instruments of lending and exchange rates, led to a rise in the nominal-lending rate of 9.5% in 1980 to 29.2% in 1994. The nominal exchange rate rose from 0.546 naira to one US dollar in 1980, to 21.88 in 1994. As Okigbo (1997) noted, the impact of the combined effect was to drive up inflation. The combined effect of exchange rate liberalisation, rising cost of borrowing, and trade liberalisation was to drive down capacity utilisation in the real sector of the economy, from 70.1% in 1980 to 30.4% in 1994. The labour market impact was tightening of the job market. The combined impact was to drive down the social wage, further reducing the purchasing power within the economy. The changing structure of incentive that adjustment envisaged would penalise those who owned and deployed labour, while rewarding those who owned and deployed capital.

Since an important aspect of the adjustment programme is labour market 'flexibility', labour market vulnerability would increase and real wages would decline. Concerning income inequality, therefore, the implication is that those in wage-employment would be major losers and those who hold capital or belong to the entrepreneurial class would be major winners. Labour market status will matter in explaining income distribution and inequality.

The gender mapping of the labour market status should also be of significance in explaining income distribution. It can be suggested that gender, by itself, will not explain much but that women with low labour market status are likely to be over-represented in the lower end of the income distribution profile. Adjustment would have worsened the gender dimension of income inequality, even if through the labour market prism. The paper examines income distribution and inequality from the perspectives of personal income, per capita (household) income, generally, and with reference to gender and status of heads of households.

2. Research Design

The data for the analysis in this paper are from a household survey done between September and December 1993 in Ibadan (Oyo State), and Irewole Local Government area of Osun State in southwestern Nigeria. We drew a sample of 473 households comprising of 2,412 members from the three clusters of rural and semi-urban, and urban settlements.

2.1. Sampling Process

The study design envisaged access to households reflecting various labour market participation and opportunities, both rural and urban. We were concerned with the range of demographic profiles that might influence such labour market access taking cognisance of the varied impacts of the macroeconomic

policy instruments concerned with economic stabilisation and liberalisation. The urban/rural divide of such policy impacts required that apart from drawing samples from the urban and rural areas, we paid attention to intra-rural and intra-urban divides. It also required paying attention to the whole spectrum of the income profile, as much as could be captured in a household survey.

For the urban area, we chose Ibadan. Based on the author's ethnographic knowledge of Ibadan, five neighbourhoods were selected in a first-stage cluster sampling to reflect the diversity of the city. These are Ináléndé, Òkè Àdó/Òkè Bólà, Bódìjà, University of Ibadan, and Agbowó. Ináléndé and Òkè Àdó/Òkè Bólà are predominantly indigenous and immigrant residential areas, respectively. Bódìjà is a mixed neighbourhood defined by its predominantly upper-middle class character. University of Ibadan reflects the high educational status (if not matched by similar economic status). Finally, Agbowó was chosen for the predominantly low status wage employment and informal sector character of its residents.

For the rural area, we chose Iréwolé Local Government area in Osun State, on the border of Òyó and Òsun States. The mix of tradable and non-tradable cash crop and food crop production influenced the clusters selected in Iréwolé. For example, the rural economy of Mugo is dominated by oil-palm production, a non-tradable cash crop, that of Àwálà is dominated by cocoa production, a tradable cash crop. The economy of Ayétòrò is dominated by non-tradable food crop production. Within the local government, two adjoining rural towns were selected as the semi-urban areas. First, Ìkirè, the local government headquarters, and Apòmù/Ìkòyí, the adjoining towns on the outskirts of Ìkirè, reflect a mid-point between rural and urban areas in terms of social amenities. Second, the food and timber processing activities in the satellite rural villages are undertaken in these semi-urban settlements. We therefore expected a range of economic activities that linked these semi-urban towns to the villages. Finally, given the peculiar nature of rural settlement in much of southwestern Nigeria, many of the rural dwellers have 'ancestral homes' in the semi-urban towns, and tend to move between the villages and the semi-urban towns. Major festivals usually witness a mass migration to Apòmù/Ìkòyí from the sampled villages. In selecting the semi-urban settlement, the study sought to reflect the range of the continuum between urban city and rural villages or hamlets.

In the absence of reliable census figures of the population of each of the clusters chosen, at the time of the survey[4], we decided to sample 50 households per cluster. Field assistants (interviewers) were recruited based on their familiarity with and knowledge of the clusters. The interviewers in Ibadan were mainly undergraduates of University of Ibadan, while those for Irewole were local government and community development workers living in the clusters. In both Irewole and Ibadan areas, ten interviewers each were employed; working in pairs, covering the five clusters in the survey. In Ibadan and Irewole, a Field Supervisor and Assistant Field Supervisor supported the interviewers.

The fieldwork in Ibadan and Irewole was preceded by a two-week training session for the interviewers and field supervisors. The training for Irewole took place in the premises of the local government headquarters, while that for Ibadan took place in the University. The interviewers and supervisors were trained in the questionnaire booklet and the companion booklet of the Yorùbá translation of the questions. Yorùbá is the predominant language in southwestern Nigeria. The companion translation booklet was to ensure uniform rendering of the questions in the survey booklet where the respondent did not speak or understand English. The training also involved sessions in which the interviewers tried the questionnaires out on others in role-playing sessions.

Table 1: Distribution of Sampled Households by Cluster

	UI	Agbowó	Bódìjà	Ináléndé	Òkè Àdó/ Òkè Bólà	Ìkirè	Apòmù/ Ìkòyí	Mugo	Ayétòrò	Àwálà	Total
Number	50	52	45	68	49	42	50	34	49	34	473
Percent	10.57	10.99	9.51	14.38	10.36	8.88	10.57	7.19	10.36	7.19	100.0%

About 520 completed questionnaire booklets were returned by the interviewers. After the quality control check on the questionnaires, 473 were accepted as useful for further analysis. Table 1 shows the distribution of the 473 sampled households across the ten clusters.

3. Income Distribution and Inequality: an overview

In giving a general overview of income distribution and inequality, we will look at the spatial distribution of income. The assumption of markedly skewed distribution of resources and welfare along urban/rural was at the heart of the urban bias thesis (Tobi 1989, Corbridge 1982, Lipton 1977). This thesis was central to the neo-Right explanation of the African development crisis, which strongly influenced the policy instruments in the Adjustment Programme (Adesina 1992, 1994).

The data collected were at three levels of income: i) Personal income, ii) Household Income, and iii) Per capita (household) income.[5] The period for the reported income was the one month before the survey.

The analysis of spatial size distribution of income will focus on personal income and per capita income. The latter provides a more robust picture of income distribution since it corrects size distribution of personal and household income for the size of the household.

3.1. The Gini Coefficient: computational issues

A robust understanding of income inequality (personal and household) can be derived from the Lorenz Curve and the Gini coefficient. The Gini coefficient derives from the Lorenz curve; measuring the difference between the diagonal line (45°) and the curve relative to the total area below the 45° line (see Figure 1).[6] Theoretically, the Gini coefficient ranges between zero and one, where zero represents absolute equality and one, absolute inequality. The lower the coefficient, the lower the degree of inequality. Conversely, the greater the coefficient, the greater the degree of inequality. For the computation of the Gini coefficient, the author relied on Aboyade (1983), for the simplicity and transparency of the procedure he suggested. Further, the survey provides us with 'unit record' data at the level of the household, including personal income, household income, and the size of the household. This allows us to generate the information necessary for estimating 'absolute inequality *over the entire income range*' (Aboyade 1983, p.307, emphasis mine). The author developed a template worksheet in Microsoft Excel that simplified data entry and the computation of the Gini coefficient, while the frequency distribution (with the absolute values of reported incomes) was generated using SPSS. A sample sheet is presented in the EndNotes.[7] The Lorenz curves, on the other hand, were generated by plotting the decile distributions of reported income earned and the population earning the corresponding deciles.

Figure 1. Lorenz Curve for Personal and Per capital Income

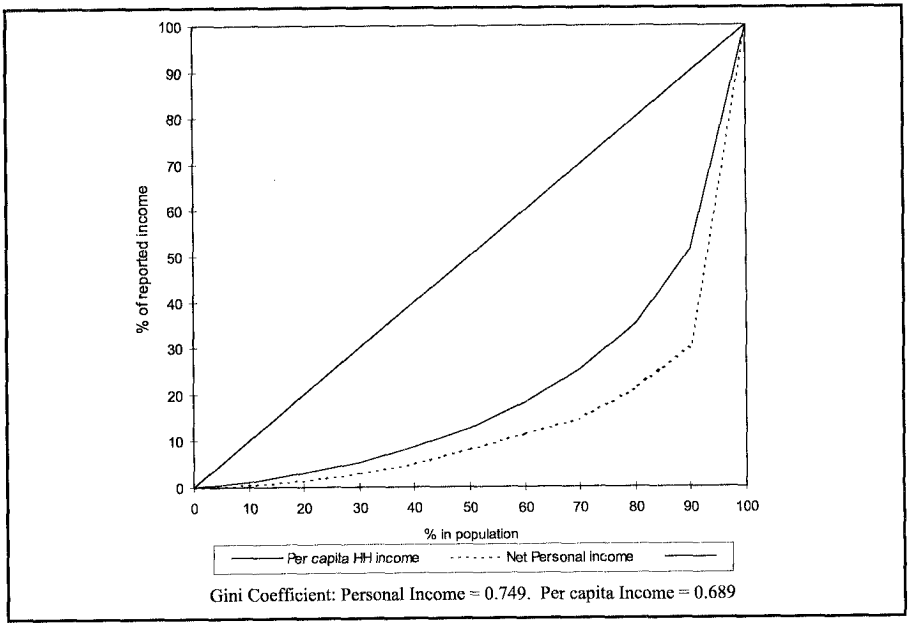


Figure 1 shows the Lorenz curves for the reported personal and per capita (household) incomes for the sample, and their respective Gini coefficients. Table 2 further gives the Gini coefficient for both personal and per capita income across the three spatial locations of our respondents. The table supplements this information with the mean personal and per capita income across spatial locations, and their standard deviation. The Lorenz curves and the Gini coefficient show – as is to be expected – that inequality around personal income was more pronounced than inequality around per capita household income. Table 2 supplements the information on the Gini coefficients with the mean and the standard deviation of the size distribution of across spatial locations.

The Gini coefficient for personal income is 0.749, and 0.689 for per capita income.[8] The analysis of personal income shows differences in size distribution across the sectors. In analysing the size distribution of income, it should be noted that the actual receipts by farming households and individuals are less than the figures in Table 2. This is for reasons discussed elsewhere.[9]

Table 2 shows that mean personal income was much larger in the urban area than in the rural or semi-urban areas; so, however, is the standard deviation for both urban personal income and per capita income. The Gini coefficient shows that income inequality in urban areas is much higher than in the other two areas. Even with the anticipated over-estimation of income (see EndNote 9) for the rural areas, the standard deviation shows less dispersion than in the urban area, which is reflected in the Gini coefficient. Aigbokhan (1997, p.194) reported a Gini coefficient of 0.510 for rural households in his 1991 household survey of western Nigeria, which is close to the coefficient reported here. For reasons mentioned in End Note 9, we are, however, more sceptical about the impact of trade liberalisation on farming households.

The analysis also shows significant variations between the mean per capita income and the mean personal income, across the spatial locations. For the urban area, the average per capita income is 37.56% of the average personal income; 50.51% for the semi-urban area; and 71.42% for the rural area. This suggests that income is more thinly spread in the urban area than in the semi-urban or the rural areas and that inter-household inequality is more severe in the urban area than the rural or semi-urban area.[10] The study shows that the average size of households in the urban area is larger (5.64) than in the semi-urban (4.97) or the rural area (4.24). The urban households show a higher rate of fostering than in the rural households. For instance, in Bodija, 18.3%[11] of the households are not members of the nuclear family; this is against 6.9% in Ikire, and 1.7% in Mugo.

The question of what has happened to income inequality under adjustment is worth exploring. For this, we can examine Aboyade (1973), ILO (1982), and World Bank (1996). There are, however, problems with such a comparison. First is the absence of consistent panel data. Second, the coverage of the surveys differs significantly. The 1967 survey reported by Aboyade (1973) cov-

ered 1,635 households in the western and northern Nigeria (1973, p.14). World Bank (1996) drew on national surveys (of over 9,000 households) in 1985/86 and 1992/93 by the Federal Office of Statistics (FOS). The ILO study (in 1973/74 and 1978) relied on a combination of national account figures and household surveys. Aigbokhan (1997)[12] relied on aggregated data of the FOS for 1983/84 data and a sample survey of western Nigeria for the 1991 data. Third is the problem of the indices of measuring inequality. While Aboyade, the ILO, and Aigbokhan relied on income data, the World Bank (1996) relied on expenditure data.

Table 2: Income Distribution and Spatial Locations

Income	Sector	Number in location	Mean *(Naira)*	Standard Deviation *(Naira)*[a]	Gini Coefficient
Personal Income	Urban	451	7,155.46	46,029.49	0.778[b]
	Semi-urban	205	3,522.57	6,017.88	0.671
	Rural	224	4,597.98	4,414.90	0.565
	All	880	5,658.17	33,174.03	0.749
Per capita Income	Urban	235	2,694.08	12,192.96	0.745
	Semi-urban	92	1,779.38	2,523.15	0.541
	Rural	117	3,284.37	4,600.82	0.558
	All	444	2,660.09	9,254.42	0.689

Notes: [a] Standard Deviation is used because it is a more intuitive measure of dispersion than Variance.
[b] The Gini coefficient for all urban income earners is 0.849. The coefficient reported in the table is after the top income outlier was removed.

Given the above, what conclusions can we draw? First the snapshots. Aboyade (1973, p.21) reported a Gini coefficient of 0.58 for the household survey of 1967. The ILO estimated that in the 1973/74 period, the Gini coefficient for intra-urban income was 0.6. In the context these earlier studies (and given the caveats mentioned earlier), a Gini coefficient of 0.689 for households, and 0.745 for urban households suggests worsening inequality. Aigbokhan reported deepening inequality: from 0.394 to 0.520 for urban households between 1983/84 and 1991. Rural inequality similarly deepened: from 0.379, in 1983/84, to 0.510 in 1991[13] The World Bank's (1996, p.24) estimation showed a similar case of deepening inequality: the Gini coefficient rose from 0.387 in 1985 to 0.449 in 1992. The use of household expenditure data would seem to explain the low coefficient reported.[14] Whichever way we pursue the

argument, the period of adjustment has witnessed a worsening crisis of inequality.

For the remaining part of this paper, we will be concerned with gender, educational, and labour market status dimensions of income distribution.

4. Income Distribution and Gender

Two dimensions of gender sensitivity of income distribution are of interest; first is the gender distribution of personal income. The second is the sensitivity of size distribution of both personal income and per capita income to the gender of the head of household. Table 3 presents a summary of the results for the gender aspects of personal income and per capita income.

Table 3: Gender and Income Distribution

Income Type	Gender	Number	Mean *(Naira)*	Standard Deviation *(Naira)*	Gini Coefficient
Personal Income	Male	449	5,998.47	17,776.46	0.737
	Female	428	5,278.78	43,972.22	0.830[a]
Personal Income of heads of household[b]	Male	395	5,817.13	11,789.05	
	Female	40	27,085.30	141,679.07	
Per capita Household Income[c]	Male Headed	395	2,439.15	7,407.19	0.658
	Female Headed	40[d]	5,014.05	20,294.09	0.784

Note: [a] Gini coefficient is 0.663 when the top income earner is removed.
[b] Levene's test: F=31.29, p=.000 (t-test). [c] Levene's test: F=6.99, p=.008.
[d] Missing values explain the difference with total household of 473 used in the study.

Table 3 presents an interesting set of results, both on its own and when compared with results of those obtained when the respondents were grouped into income cohorts as in Figure 2. First, to consider the results in Table 3. While the average personal income for the male respondents is higher than that for women, the standard deviation for all the female respondents is higher (as is the Gini coefficient). The t-test does not show that the distribution is gender sensitive, which reflects the presence of women at the extreme ends of the income distribution. Indeed, the reported highest income earner is a woman, which biases the analysis. When the respondents were grouped into income cohorts, the contingency table statistics show that the size distribution of income is gender sensitive, although inversely so.[15] As Figure 2 shows, at the lower end of the size distribution of income, there are more women (27.8%) than men (9.8%).

At the higher end of the distribution, there are more men (2.2%) than women (0.7%).

Table 3 also shows that the mean personal income for female heads of household is over five times the mean income of male heads of household, although again the dispersion is much wider for female heads of households. Again, the Gini coefficient shows that inequality *among* female-headed household is much higher than among male-headed households, although the coefficient drops from 0.83 to 0.66 once the top income outlier is removed. This drop is much higher than for the whole sample when the same outlier was removed (see EndNote 8). The top earner would therefore seem to impose a greater bias on the income distribution among female heads of household than the whole sample.

Only 12.5% of female heads of households reported personal incomes above ten thousand *naira* (10.5% among male heads). By contrast, 55% of the female heads reported personal incomes under three thousand *naira* (48.7% among male heads). The gender of the head of household is not statistically significant for either personal income or per capita income, in the contingency table analysis.[16] This would seem to represent a more intuitive, and perhaps accurate, representation of the income profile. In other words, while inequality is higher among the female respondents, this is not specific to the women. Gender would seem a more ambiguous explanatory variable. This is in the light of the disadvantages that women face in terms of property rights, access to education and the labour market, and the burden of double workload (domestic and the enterprise) relative to men.

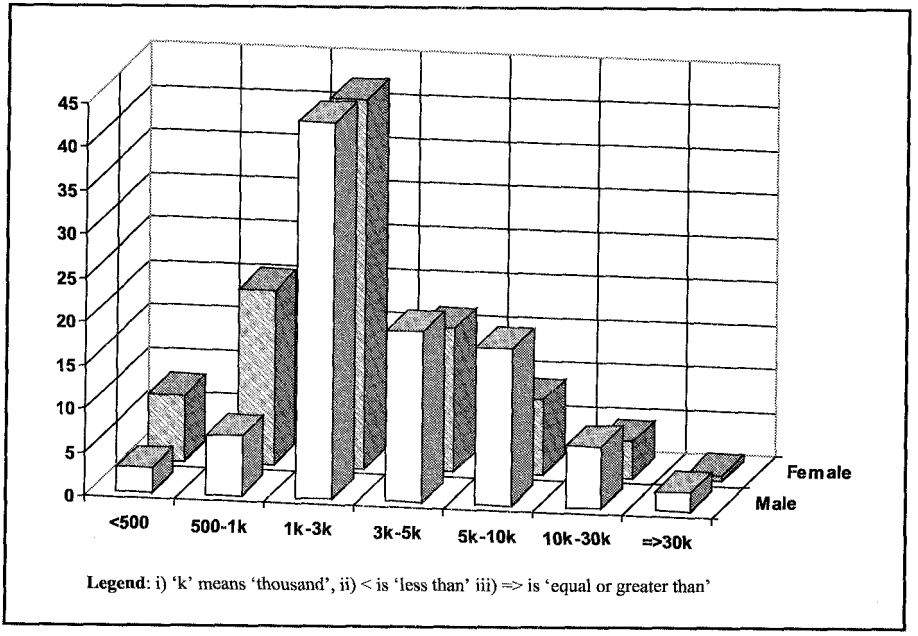
However, how do we explain the degree of inequality *among* women? This would seem to have a lot to do with the study area. Women in southwestern Nigeria have a long history of active involvement in commercial activities, and many have been extremely successful and wealthy. Furthermore, property rights are not as restrictive (gender wise) in southwestern Nigeria as in other parts of Nigeria. The presence of the women reporting relatively high personal income reflects this greater access to wealth.[17] Gender discourse therefore requires greater attention to class discourse in grappling with the issues in income inequality. Given the impact of the context of southwestern Nigeria, caution must be exercised in extending the conclusion, about size distribution of income among women, to other parts of Nigeria.

Beyond the gender implications of income distribution is the situation in each spatial location. Concerning the personal income of heads of household and per capita household income, gender is not statistically significant in any of the spatial locations. However, it is statistically significant when all income earners are considered; Table 4 shows the contingency table statistics.

In the three spatial locations, women are more heavily represented in the lower end of the income cohorts. To illustrate the point, 26% of female income earners in the urban area reported personal incomes of less than N1, 000 against

9.4% for men. In the semi-urban area 39.1% of women earned less than N1, 000, against 12.6% for men. In the rural area 20.2% of women and 8.2% of men earned less than N1, 000.

Figure 2. Gender Distribution of Income by Cohort (%)



Legend: i) 'k' means 'thousand', ii) < is 'less than' iii) => is 'equal or greater than'

Table 4: Income Cohort and Gender in various Spatial Locations

Income	Location	p-value	Kendall's tau-c	t-value
Personal Income	Urban	.000	-.227	-4.606
	Semi-urban	.000	-.348	-4.963
	Rural	.000	-.288	-4.052

However, when the gender dimensions of per capita income or personal income of heads of household is considered *across all spatial locations,* the result shows significant differences between men and women. The relationship is statistically significant among male heads or male-headed households, whereas it is not among female heads of households or female-headed households.

4.1. Gender and Intra-Household Pattern of Income Distribution

A final dimension of gender dimension of income inequality concerns income distribution *within* the household. Most analysis of income inequality takes the household as a homogenous entity, and assumes away intra-household inequality. Such inequality has three implications. First, the distribution pattern is an important indicator of relative control over economic resources and individual entitlement within the household. Second, the pattern raises the question of the coincidence of headship of household and 'breadwinner' status. Third, a household with single income earner is very vulnerable. The analytical concern here is with *income earners* within households, with the proportional contribution of head of household used as a proxy for intra-household distribution pattern.

Regardless of the gender of the heads of household, when plotted against the income cohorts, the relative contribution of the heads of household yields a U curve. Table 5 shows that the relative contribution of heads of household declines and rises as we move along the income cohorts. The standard deviation, however, shows wider dispersion in lower income cohorts than the top end of income cohorts. The relative bunching of households headed by persons with higher education (and in wage employment) in the middle income cohorts explains the relative decline of the contribution of the heads of household to total household income within this cohort. More likely than not, the spouses (typically female) of such heads, who are typically male, are income earners and relatively educated.

Table 5: Income Cohorts and Heads of Household's Contribution to Total Household Income

Income Group (Naira)	Under 500	500-1000	1000-3000	3000-5000	5000-10000	10000-30000	Over 30000
Mean Contribution of Heads (%)	77.06	73.25	65.35	68.00	74.41	81.76	90.99
Standard deviation (%)	35.66	30.88	24.42	22.96	21.78	18.60	11.12

$F = 4.656$, $p = .000$

Between female-headed and male-headed households, the Levene's test (under the t-test procedure) shows a statistically significant difference in the contribution of the heads to total household income ($F=23.190$, $p= .000$). On the average, female heads of household contribute 94.67% of the household income, against 67.69% among male-heads of household. This picture is not different across spatial locations. In the urban area, female heads of household contrib-

ute 98.77% of household income; 83.77% in the semi-urban areas, and 100% in the rural areas. For male heads of household, the comparable figures were 67.56% in the urban area, 67.4% in the semi-urban, and 68.19% in the rural areas: Table 6 shows this distribution and its associated statistics.

Table 6: Distribution of Heads of Household Contribution to Total Household Income by Gender of Head (%)

Percentage Contribution to Household Income	Male-heads of Household	Female Heads of Household
Less than 30%	6.7	0.0
30%–50%	17.4	5.0
50%–75%	37.8	2.5
Over 75%	38.1	92.5
Total	100.0	100.0

Kendall's tau c = .182, Monte Carlo p = .000 (at 95% confidence interval)

It would seem axiomatic that in a patrilineal environment such as the south-western Nigeria, women who are heads of households should contribute such a high proportion of the household income. For one thing, female-headed households are most likely than not single-parent households. What is not readily obvious is the vulnerability of such households, where for one reason or another the dominant income earner is unable to earn income. Male-headed households are by contrast less vulnerable because of the plurality of major income earners in the households. These are important issues in gender aspects of inequality and vulnerability.

5. Income Distribution, Literacy, and Labour Market Status

This section examines the issues of labour market location and income distribution. In doing this, the relationship between literacy and income distribution, and the additive impact of gender and spatial location in this relationship are considered.

The relationship between size distribution of income and literacy is an important mid-way house towards understanding the labour market dimensions of income distribution. Folk-wisdom and much of the literature on labour market in Africa link credentials (as a proxy for literacy level), suggesting high-wage returns for those with higher educational qualifications. Two prominent strands in this labour market literature are the Todaro probabilistic labour market thesis and the labour aristocracy thesis. The literature on these two

strands and their relationship with the adjustment programme has been explored elsewhere (Adesina 1992, 1994). 'Credentialism' was supposed to be the bane of Africa's labour markets and its economic crisis. As the Bank made clear, the reform of the labour market was central to the implementation of the adjustment programme in Nigeria (World Bank 1994). With the effort to make the labour market, more 'flexible,' real wages fell, especially in the public sector, and long-term unemployment grew (cf. Jamal 1995). All these are expected to impact on the income distribution profile. This raises the questions of the direction of the size distribution of income, and the specific path of and how the adjustment programme has adversely affected the size distribution of income.

5.1. Income Distribution and Literacy Level

In Table 7, we present the personal income of respondents by the literacy level, and the per capita income of households by the literacy level of the heads.

Again, a complex picture concerning both the mean incomes and the dispersion around the mean emerges. The high average personal income of those with less than secondary education may have been affected by the problem of accurately accounting for the income of rural farming persons, but even this has a rather complex feature.[18] While the reported mean personal income for those with pre-secondary education is highest, it also shows the widest dispersion; a small number of high-income earners have a tendency to skew the distribution curve. The same pattern is evident among those who reported having university education. By contrast, those with non-formal education exhibited the narrowest dispersion of income around the mean.

Similarly, households headed by persons with pre-secondary education reported the highest per capita income, and still with wide dispersion of income earned. Significantly, households headed by persons with university-level education ranked fourth in mean per capita income, despite that educational cohort ranking second on personal income.

Relating personal income to per capita income shows a significant shift in the 'gains' and 'loss' picture. The fall in mean per capita income was more acute among households whose heads had university-level education, followed by those with pre-secondary education. The per capita income for households headed by university graduates was 33.41% of the personal income reported by the heads, followed by those with pre-secondary education (37.17%). It was among those with secondary education that the least decline occurred, at 82.59%, followed by those with no formal education, at 76.3%.

The result reported does not consider possible additive impact of spatial location or gender, and this is where we turn our attention. In Table 8, we present the summary of the results of the analysis of the additive impact of gender and spatial location on the relationship between income and literacy level. These variables are (i) spatial location of respondents and (ii) households, (iii) the gender of respondents, and (iv) the gender of the head of household. For

income we use the same cohorts as in Figure 2 and Table 4. For the literacy level, we use the same cohorts as in Table 7. For the additive variables, the concern is with the interaction within the sub-groups. In other words, considering each sub-group (urban or rural, male or female respondents and heads of household), what is the nature of the interaction of income and literacy level?

Table 7: Income Distribution and Literacy

Income Type	Literacy Level[19]	Number	Mean *(Naira)*	Standard Deviation *(Naira)*
Personal Income[a]	None	199	4,017.97	4,162.57
	Pre-Secondary	204	8,739.00	63,600.08
	Secondary	206	3,448.61	10,089.38
	Post-Secondary	60	3,075.25	4,485.57
	Tertiary/Polytechnic	69	3,621.57	4,683.68
	University	109	7,673.04	15,919.02
	All	844	5,385.13	32,233.75
Per capita Income[b]	None	90	3,065.77	4,927.56
	Pre-Secondary	103	3,248.11	12,830.08
	Secondary	92	2,848.20	13,825.51
	Post-Secondary	31	1,308.25	2,271.62
	Tertiary/Polytechnic	35	1,685.02	2,079.36
	University	76	2,563.53	3,782.98
	All Heads	427	2,732.71	9,427.74

a: F = .875, not significant. b: F = .317, not significant

Table 8 shows the results of additive variables of spatial location, gender of the respondent, and the gender of the head of households. It is only in the urban area that income level and level of education is significant on the two measures of relationship. This is to be expected since the relationship between the level of education and income earning opportunities are stronger in the urban areas than in the semi-urban and rural areas. For instance, in the urban area, while 27.5% of respondents with no formal education reported a monthly income of under 1,000 *naira*, only 3% of those with university education reported similar level of income. By contrast, no respondent with no formal education reported a

monthly income of over 10,000 *naira*, while 10.2% of those with university education reported such income.

Table 8: Reflection of Spatial Location and Gender on Relationship between Income Cohorts and Literacy Level

Income Type	Additive Variables	Sub-Groups	Kendall's tau-c	
			p value	value
Personal Income	Sector	Urban	.000	.263
		Semi-urban	ns	
		Rural	ns	
	Gender of Respondent	Male	ns	
		Female	ns	
	Gender of Head	Male	ns	
		Female	ns	
Per capita Income	Sector	Urban	.000	.220
		Semi-urban	ns	–
		Rural	ns	–
	Gender of Respondent	Male	ns	
		Female	ns	
	Gender of Head	Male	ns	
		Female	ns	

Notes: 'ns': not significant, *: Monte Carlo (2-sided) at 95% confidence interval, under Exact Test.

Again in the urban area, the relationship between per-capita income and the literacy level of the head of household is also significant. Across the various groups, however, the modal income was between 1,000 and 3,000 *naira*, although with different presence of the educational groups (cohorts) in this income band. For instance, 34.7%, 71.4% and 68.3% of those with university, polytechnic and post-secondary education reported monthly income of between 1,000 and 3,000 *naira*, respectively. This is against 47.5%, 51.3% and 52.7% for those with no formal education, pre-secondary, and secondary level education, respectively.

Table 8 however obscures a few more issues. For personal income, the linkage between education and income level is significant (using the Chi-Square test) among the male and female respondents and male heads of household. When per capita household income is considered this relationship is not statis-

tically significant. However, the relationship, where significant, is generally weak. There is, for instance, no linear relationship within each gender between literacy level and income group. Among all male respondents (who are income earners), a greater percentage of those with less than post-secondary education reported income of less than a thousand *naira*. A greater proportion (6.7%) of those with university education reported income of more than 30,000 *naira* a month; but there the relationship ends. Fewer of the men with university education (21.3%) reported income of between 5,000 and 10,000 *naira*, than men with no formal education (26%); and even fewer of men with post-secondary (9.7%) and polytechnic education (7.3%).

Among women, the issue is even more complex. First, whatever relationship exists between income cohorts and literacy is ambiguous. Second, such relationship, weak as it may be, is even likely to be inverse. Compared with women with pre-secondary education, for instance, while less women with university education are represented in the low-income bank (i.e., less than 1,000 *naira*), this category of women are even less represented in the upper income band. (10,000 *naira* and above). Among female heads of households, the relationship between literacy level and the personal income is not even significant. The same applies to intra-gender issues in per-capita household income. The explanation arches back to our earlier discussion on the long tradition of wealthy and powerful women who are into commercial activities in southwestern Nigeria.

So how do we explain the above? Whereas higher education or literacy level may confer higher cultural capital, this does not translate into income or wealth. That is an elementary issue in Weberian discourse of the distinction between 'status' and 'wealth'. But this is the everyday aspect of knowledge about the non-congruency between cultural capital – such as education – and income or wealth. Is this a new phenomenon, caused perhaps by the policy instruments of structural adjustment? Both earlier researches and folk-wisdom will suggest otherwise.

The history of the first generation of African businesspersons (male and female) shows that they had minimal (formal, western) educational qualification. Among women, in Southwestern Nigeria, wealth is more commonly associated with 'trading in textile materials' than with a university degree. The folk wisdom of the non-congruency of education and wealth is captured in the popular culture of the 1960s by the juju musician, I.K. Dairo.[20] It is an eloquent testimony to the gap between the reality of Africa and the Africanist discourse, and points to the crisis of Africanist scholarship that Mamdani (1992) and Adesina (1991, 1992 1994) mentioned. A careful reading of the data in Aboyade (1973) raises the question of the reflection of this folk wisdom in scholarly research. For instance, while only 26.12% of all income earners in his 1967 survey had primary education, this educational cohort were 48% of those in the high income band (£N1, 000–£N4, 000 per annum). Indeed, of the nine respondents

who reported income of between £N2, 000 and £N4, 000, seven had primary school education.

However, what is new is the acceleration of the process, which adjustment policy instruments seem to have unleashed in Nigeria since 1982. The stabilisation policy instruments deployed as part of the structural adjustment programme have had the combined effect of reducing public spending on education and forcing a sharp decline in real wages in the 1980s and the 1990s. This is particularly true of public sector workers and those in the non-formal sector. In other words, while the cost of education to the individual has increased, the private returns on education have fallen drastically. School enrolment consistently fell in Nigeria in the late 1980s to early 1990s. As the cost of education rose, the informal sector (trading and apprenticeship) has become a more attractive point of absorbing young individuals. However, the adjustment programme did not simply force an increase in the social cost of education and reduced the private returns; it also shifted the structure of incentives. Relative returns to entrepreneurial activities increased within the same period further reinforcing IK Dairo's sense of poetic justice regarding the 'arrogance' of the 'book people'.

At the close of the century, the enormity of the damage done to the human capita base of Nigeria (and much of sub-Saharan Africa) is beginning to sink in. The response, as usual is to put together another band of donors who now define the basis for reconstructing the shattered edifice, in ways that fit the objectives of global domination of western finance and industrial capital.[21]

The implications or evidence of the above in terms of labour market status will be examined in the following section. Labour market status links literacy level with the labour market location.

5.2. Income distribution and Labour market status

The concept of 'labour market status' has its origin in Doeringer and Piore's (1971) seminal work on labour market dualism. More recently, it has been revived as within the context of the IILS's research programme on a more detailed understanding of the linkages between labour market location, labour market vulnerability and poverty. It was within this context that Rodgers (1986) developed Doeringer's idea of labour market sub-systems with the idea of labour processes, and later (Rodgers 1991), the idea of 'institutions of labour'. Based on the latter, Rodgers identified five clusters of labour market status. These are i) the protected wage employment, ii) competitive regular wage employment, iii) the non-protected and heterogeneous wage employment, iv) self-employment, and v) marginal activities of semi-legal and illegal types. Lachaud (1994a, 1994b) adapted Rodgers' classification in the study of some French-speaking African countries. Lachaud identified five clusters, namely i) irregular workers, ii) protected workers in regular employment, iii) marginal self-employed, iv) self-employed persons with capital, and v)

non-protected workers. In Lachaud's classification, these labour market statuses are 'independent of the dualist dichotomy'; individuals falling into the stratum may be in the modern or the informal sector.

Labour Market Status

The essence of the labour market status categories employed in this section is to identify relations and the vulnerability in the labour market; the labour market status categories are based on the main occupation of the respondents. Using Quick Cluster, we generated labour market status classifications based on a set of questions asked in the household survey. The questions included labour force participation, current employment status, type of employment, wage relations. The Quick Cluster analysis yielded seven labour market statuses, namely: i) Inactive, ii) Unemployed, iii) Waged (Unprotected), iv) Waged (Protected), v) Self-employed (Informal Sector), vi) Self-employed (with capital), and vii) Employer. The distinction between Inactive and Unemployed is that the former captures those who are 'economically' inactive; many are retired. The distinction between protected and unprotected wage employment seeks to distinguish between those who are in vulnerable wage employment and those who are not. This involves the extent to which those so classified enjoy contractual protection of employment, receive paid leave and so on. The distinction among the self-employed also seeks to overcome the ambiguities in the category 'self employed' and stress command over resources or 'entitlements' (à la Sen). The informal sector, petty trader needs to be separated from the self-employed architect or informal sector operative with significant command over capital.

Figure 3. Mean Personal Income and Labour Market Status

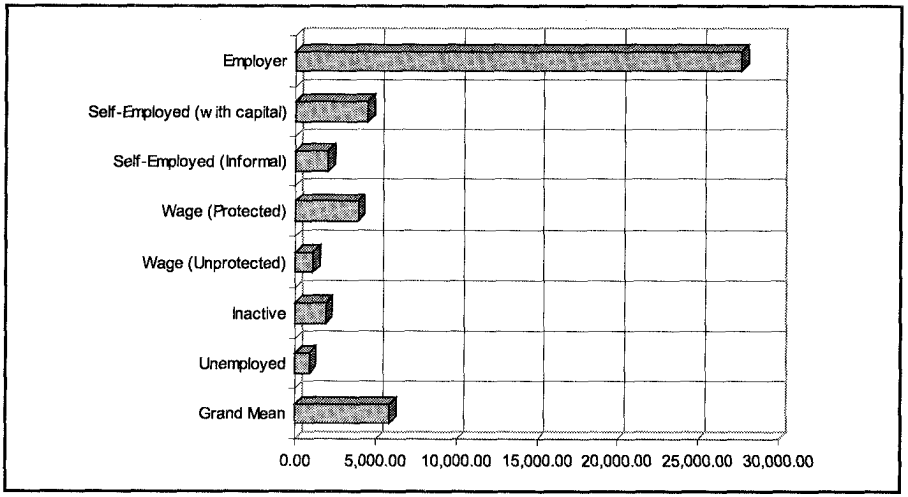


Table 9 gives the mean personal income and per capita income for each labour market group, and their associated standard deviation. The last row also presents the result of the analysis of variance, measuring the strength of the relationship between labour market status and the two measures of income. The result of the analysis of variance shows that, for both the personal income of the respondents and the per capita income, the labour market status of respondents and heads of household is a good 'predictor' of the income. Figure 3 gives a graphical representation of the mean personal income, for the different labour status cohorts.

The data in Table 9, however, bear additional comments. While the mean personal income for 'employers' is the highest, the standard deviation shows an extremely wide dispersion around this mean. The Gini coefficient for the combined self-employed persons (with capital) and employers is equally the highest across the various labour market statuses. Those who are in protected wage employment also show a high degree of inequality. While the literature on the African labour market tends to lump those in 'protected wage' employment together – as urban biased, rent-takers – the results here (standard deviation and Gini coefficient) again reinforce the need for greater care in the income and status implications of such labour market categories. In Adesina (1994, Ch.3), we had shown that wage inequality within the 'formal sector' has traditionally been very high in Nigeria, and that the arithmetic mean income or total size of formal (or public) sector wage bill hides more than it reveals. Much of the argument about excessive formal/public sector wage bill, that underscored the adjustment programme, fails to pay sufficient attention to intra-sectorial income inequality. The impact of the neo-liberal policies arising from this flawed analysis has been to penalise the traditionally vulnerable segments of the 'formal sector', while increasing the level of inequality (cf. World Bank, 1996).

The size of the standard deviation and the Gini coefficient of the personal income of those defined as employers or in 'protected wage' employment shows the need for further disaggregation of these labour market categories. And here, we can draw on a more readily accessible analogy: the owner of a street corner diner in Seattle (Washington) is an employer alright, but that hardly puts him in the same league as Bill Gates (Microsoft Corp.). The refinement of these labour market categories is something we will be pursuing elsewhere.

The difference in the mean personal income of 'Inactive' persons and the per capita income of the households they head reflects the income contribution of other members of the households. This also raises the issue of the congruency of the headship as a household status and the idea of the head as the primary income earner: most of the household heads in this category are retirees.

Overall, the size distribution of income across the spectrum of labour market status shows the intensity of the income inequality. While such inequality is not

new, it can be argued that adjustment policies would have shifted the structure of incentives in such a way that the inequality will widen. Most of those classified as being in 'unprotected wage' employment are in the informal and small-scale enterprises; and they are even worse off than those who are 'economically inactive'. Self-employment as a labour market category is complex depending on whether the individual has access to capital or not, and what kind. Those who are jettisoned from 'formal sector' employment, as a result of the adjustment requirement for numerical flexibility in this labour market, were shunted into the 'non-formal' sectors with its poorer pay and labour market insecurity. It is not only income inequality that will increase, so will poverty!

Table 9. Income by Labour Market Status

Labour Market Status	Personal Income		Gini Coefficient	Per capita Income	
	Mean	SD		Mean	SD
Unemployed	866.66	454.62		546.58	456.35
Inactive	1,868.58	1,682.76	0.494	2,258.63	4,133.72
Wage (Unprotected)	1,083.13	808.34	0.411	744.49	573.82
Wage (Protected)	3,871.70	8,299.09	0.578	1,377.72	2,153.48
Self-employed (Informal)	1,974.62	1,846.23	0.549	1,280.05	1,776.60
Self-employed (with capital)	4,476.20	2,233.19		2,276.51	1,876.50
Employer	27,594.92	96,498.64	0.787	10,273.25	23,412.11
Total Sample	5,842.67	34,305.55		2,694.79	9,432.61
ANOVA	F = 6.790	p = .000		F = 8.428	p = .000

* Naira. SD = Standard Deviation.

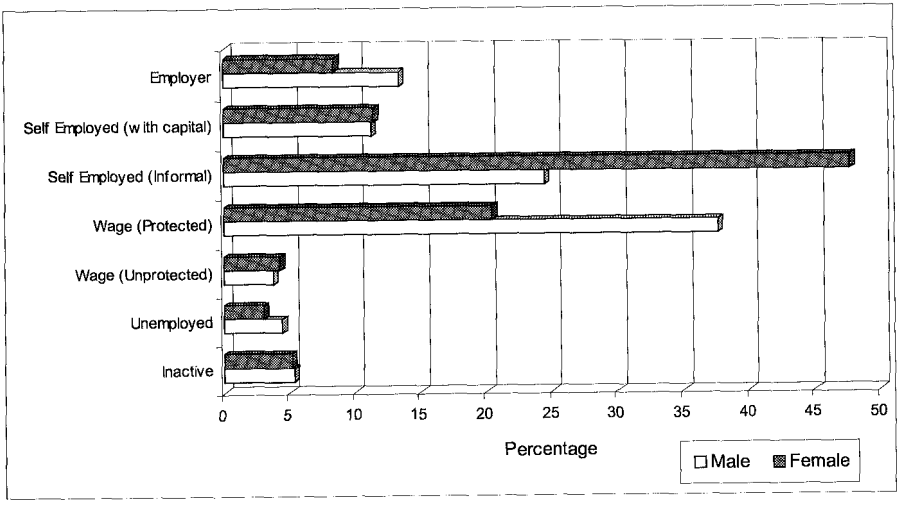
Gender and Labour Market Status

Mapping the gender of the respondents and heads of household on the labour market status, on the one hand and labour market status and income relationship, on the other hand, is important for several reasons. First, labour market location is often gendered. Occupational categories are often heavily gender-structured. Second, the gender structuration of the labour market implicates earnings. Third, public policy, especially of the far reaching macroeconomic restructuring of the Nigerian economy under the adjustment programme would seem likely to impact on the gender-structuration of the labour market.

Figure 4 is a graphic representation of the mapping of gender over labour market status; clearly, the labour market is gendered. For instance, 47.6% of the

female respondents are self-employed in the informal sector, which means they control very little. Among heads of household labour market status shows similar gender patterning; with 47.5% of the female heads in the informal self-employment, 15% in protected wage employment or employing labour, and 10% self-employed with capital. The distribution of male heads shows that 38.5% are in protected wage employment and 24.6% in informal self-employment.

Figure 4: Gender of Labour Market Status



The implications of the above for income distribution can be glimpsed from the results of contingency table analysis. The relationship between income group and labour market status is significant for among both male and female income earners.[22] When the attention shifts to heads of households, the analysis shows that while mapping gender over the interaction between labour market status and income is significant for both sexes, it is more so among male heads of household than among female heads of household.[23]

Conclusion

There are, I will suggest, two ways of looking at the question of labour movements and policy-making. The first is to examine the relationship between the formal institutions of workers (trade unions, etc.) and institutions of policy-making, public and private. Here, we can assume that the labour movement itself is involved in policy-making for and in itself or alternatively that it is the objective of policy-making of some significant others, be they State functionaries or private institutions of power. A second direction is what is adopted in this paper; i.e., the labour movement is treated not in its aggregate sense of being a

social movement but as objectified constituents of individuals and households. In this sense, we can take the labour movement/public policy-making process (of some significant others) as being mediated by the individual and the household. The sum of the parts may be greater than the whole, but it is in the constitutive process of policy impact on individual member in the labour movement that organised labour gets to be impacted upon and respond. A further issue is the need, sometimes, to go beyond the institutional and structural notion of the worker as objectified in the organisation of collective expressions of interest.

This paper has been concerned with the income distribution and inequality in the context of a specific set of macroeconomic policy making, i.e., structural adjustment in Nigeria. In the given context of this deployment of policy instruments that we discussed earlier, the concern is for the implications for labour market locations for income distribution and inequality. We have situated this within another factor: that of gender. Labour market is gendered, and the gender has labour market location. Rather than some politically correct venturing into gender discourse, the immediacy of gender for labour market location and experience is widely acknowledged. How therefore does the mapping of gender on labour market status (or location) explain the issues of income distribution and inequality?

In the body of the paper itself, we have sought to tease out the meanings and interpretations of our findings. For this concluding section, therefore, most of these do not bear repeating. We will therefore concentrate on the more salient findings and some of their implications.

First, that there are gender reflection on the income distribution and inequality profile. Yet, this is as much inter- as it is intra-gender. The contextual reading of the local context cautions against broad generalisations about linearity in gendered income distribution bias. This contextual reading of the local experience shows that for southwestern Nigeria, patriarchy could as well co-exist with wealth and power for some women. The historical dimension of this has been explored in the paper. This phenomenon co-exists, though with a significant gendered distribution of income, with women more likely to be found at the bottom scale of income distribution than the top. Class and gender, I have argued should be taken together. But precisely because of the local context, the reader must exercise caution in generalising this finding.

While this study is limited by comparable pre- and post study data on the issue of the impact of adjustment, we think that the observations gleaned from earlier studies, relative to the study reported here, would suggest that inequality in size distribution of income has increased significantly under adjustment. The Bank's report on Nigeria (World Bank 1996) acknowledged increasing inequality between 1985 and 1992. Our findings, deriving from direct interaction with the data, suggest that the magnitude is higher than the Bank estimated.

The literacy dimensions highlight the long terms damage that the policy instruments presented as 'structural adjustment' are doing to the country. The

rising cost of private financing of education and the lower private returns may be serving as disincentive for what in the end is the development of the human capital base of the economy. While the Africanist reading of the African labour market situation has been largely impressionistic, especially the assumption of a linear mapping of literacy level on income distribution, we see significant shifts in income distribution, especially concerning per capita household income. Reversing the trend in the development of the human capita base of the economy is a major policy priority.

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Notes

1. Aboyade (1983) refers to this as 'the resurgence of classical thought' in development economics. Following Osadchaya (1983), we prefer to call it 'neo-classical synthesis'.
2. For excellent summary of the literature on income distribution and inequality, see Lecaillon *et al.* (1984), especially Chapter 1; and Adelman and Robinson (1989). See also Aboyade (1983) and Fishlow (1995).
3. See Amis (1994) for a good survey.
4. Only aggregate state and local government figures were available from the 19991 Census at the time of the survey, which was not useful to serve as sampling frame. We did not use the Enumeration Areas sampling frame of the Federal Office of Statistics because of the specific issues that our study was concerned with: labour market status and impact of macroeconomic policies in the Adjustment Programme.
5. In getting the data on income, we followed the convention suggested in the United Nations Statistical Office and International Labour Office publications. We obtained information on i) Regular Wage Income, ii) Irregular Wage Income, iii) Regular non-wage income, iv) Irregular non-wage income, v) Value of gross output, vi) Total operating expenses, vii) Own-stock consumed, viii) Gross entrepreneurial income [which is the addition of (v) and (vii)], ix) Net entrepreneurial income [which is (viii) minus (vi)], x) Irregular shop income, xi) Inheritance, xii) Income from properties rented out to others, xiii) Transfer from relations, xiv) Pension and related income, xv) Other incomes. Personal Income is the aggregate of i) to v) and ix) to xv). In each case, the survey was explicitly concerned with income after tax.
6. For further discussion see Aboyade (1983), Lerman & Yitzhaki (1984), Garner (1993), and Anyanwu (1997).
7. A sample printout is presented below:

Actual Reported Income	Number of income receivers	Cumulative % of income receivers	% of income receivers	% of income received	Cumulative % of income received	Col. (3) summed with preceding entry in Col. 3	Trapezoidal areas (1) x (4)
			(1)	(2)	(3)	(4)	(5)
60	1	0.114	0.114	0.002	0.002	0.002	0.000
70	1	0.227	0.114	0.002	0.004	0.005	0.001
100	1	0.341	0.114	0.003	0.006	0.010	0.001
120	1	0.455	0.114	0.003	0.010	0.016	0.002
155	1	0.568	0.114	0.004	0.014	0.024	0.003
165	1	0.682	0.114	0.005	0.019	0.033	0.004
167	1	0.795	0.114	0.005	0.024	0.042	0.005
136000	1	99.773	0.114	3.821	66.285	128.749	14.631
300000	1	99.886	0.114	8.429	74.714	140.999	16.023
900000	1	100.000	0.114	25.286	100.000	174.714	19.854
3559273	880						1873.719

8. The Gini coefficient for personal income involved the removal of outliers at the top-end of the reported income. Three scenarios were used. The first, using all reported incomes, yielded a coefficient of 0.812. The second, with the removal of the top earner outlier alone, yielded a coefficient of 0.751. The third, with the removal of top earner and low earner outliers with income of less than N200 a month, yielded a coefficient of 0.749. Since the coefficient in third scenario is sufficiently close to that in the second scenario (reduced to two decimal points, both will be 0.75), this is used for the discussion. The estimation of the coefficient for per capital (household) income is based on reported income.

9. (Adesina *et al.* 1996 Chap. 3). Here, we summarise the argument. In EndNote 5, we described the computation of entrepreneurial income. We derive the monetary value of gross output by multiplying this with the farm-gate price. However, this process does not take account of the 'sociology of the market' in the rural areas where transaction cost can be quite high, especially for small-scale farmers. Most farmers pledge their produce (tradable and non-tradable) to private produce buyers well before the harvest season, when the farmers have cash-flow problems. The result is that they receive very low prices (relative to the 'farm-gate' price) for their produce and pay excessively high for the farm inputs that the private companies supply. This is particularly acute for farmers producing tradable goods. Our field experience suggests that while the private companies have replaced the marketing boards, the farming households still face all the disadvantages of marketing boards and none of the advantages.

10. Again, the caveat is that given the exaggerated income of rural household income, inequality in the rural area may be less than is reported here.
11. 6.9% of these are resident domestic workers. While household members described as 'children' were 55.2% of total household size, the figure for the university residents was 63.5%! The figure for Bódìjà residents was 47.8%, which was closer to the 44.8% reported for Ayétòrò.
12. Aigbokhan (1997, p.193) provides a very good summary of other estimations, which goes to buttress the point about the problem of comparison.
13. Since Aigbokhan did not disaggregate his estimation along state lines, it is difficult to compare the figure for Oyo State with ours (which coincides with our urban clusters).
14. It is curious that the World Bank based its estimation of inequality on household expenditure data even when the FOS National Integrated Household (NISH) Survey used collects information on income and expenditure. While there is something to be said for using expenditure data in poverty analysis, its use in the Gini coefficient is less persuasive. First, the rich consume a lesser proportion of their income than the poor. Second, the rich have greater discretionary power over the disposal of their income than do the poor. Hence, household expenditure data will *overestimate the welfare of the poor relative to that of the rich. This will yield a smaller Gini coefficient.* Finally, compared with income data, household expenditure data does not allow for disaggregating individual 'entitlement' ***within*** the household.
15. Kendall's tau-c = -.267, t-value = -7.539, p<.000.
16. The result is under both the asymptotic method and Monte Carlo interval at 95% confidence level (for exact significance). The gender distribution in the data violates the assumptions of the asymptotic method, making the Monte Carlo exact significance preferable (Babinec and Mehta 1995).
17. The presence of women in economic and political lives of many Yoruba kingdoms has been recorded by historians and cultural anthropologists. Denzer noted concerning the Ìbàdàn and Ègbá kingdoms that 'some resourceful women, sometimes warriors in their own right, competed with rich male chiefs and warriors for accumulation of wealth in both people and goods... [The] influence [of these women] rested on their control of immense trading and organizational networks, the acquisition of large personal followings, and the generous deployment of their considerable wealth in credit to military leaders and generous gifts to their constituents. Contemporary observers and oral traditions recorded that they owned substantial farms with numerous slaves to work them, maintained small armies, and organized a vast number of women in long distance trading' (1998, pp.1-2). For sources on which Denzer relied, please see the following: Samuel Johnson, 1960, *A History of the Yoruba: From the Earliest Times to the Beginning of the British Protectorate* (Lagos, CMS Bookshop Nigeria; S.O. Babayemi (n.d.), 'Palace Women in Oyo' (processed), Institute of African Studies, University of Ibadan; I.B. Akinyele, 1959, *Iwe Itan Ibadan* 3rd ed., London, James Townsend & Sons; S.O. Biobaku, 1966, 'Madame Tinubu' in K.O. Dike, ed., *Eminent Nigerians in the Nineteenth Century,* London, Oxford University Press; Bolanle Awe, 1977, 'The Iyalode in the traditional Yoruba political system' in Alice Schlegel, ed., *Sexual Stratification: a cross-cultural view,* New York, Columbia University; J. Lorand Matory, 1994, *Sex and the Empire that is No More: Gender and the Politics of Metaphor in Oyo Yoruba Religion* Minneapolis, University of Minnesota Press; F.S. Kaplan,

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18. For instance, when controlled for spatial location, *none* of the respondents in the rural area fell within the income cohort that reported earnings of over 30,000 *naira*. Similarly, 29.6% of the rural respondents reported income of 5,000 *naira* or higher, and 54.3% reported an income of 3,000 *naira* or higher. The comparable figures for the urban area were 19.5% with income of 5,000 *naira* or more, and 30.1% earning 3,000 *naira* or higher. The percentage of those who had no formal education or only had pre-secondary education was 2% to 9% below the average for the sector. *The point here is that the high figure for the average income of those with pre-secondary education is in the main an effect of those drawn from the rural area.*

19. 'Pre-secondary' refers to those with Arabic or Primary education; 'Post-secondary' refers to those with post-secondary school diploma, teacher training college education. 'Tertiary/Polytechnic' refers to those with College of Education and Polytechnic diplomas. While the original data set was more elaborate, and discriminated between those who finished a level of education and those who did not, we are not much concerned of these here.

20. I.K. Dairo was a very popular Yoruba 'juju' musician of the 1950s and the 1960s. The relevant portion of the song goes thus:

Oni 'we mewa nse lebura n 'Ikeja	*The O 'Level certificate holder is a manual labourer in Ikeja*,*
Won le 'mi o mo 'we o '	*And they tell me, I am unlearned,*
Ise owo mi mo 'nje	*Well, I am doing well from the sweat of my brow*
Oro iwe ko lawi	*This is no matter of education*

* Ikeja industrial estate outside Lagos.

21. Remarkably though, and tragic for policy-making in Africa, is that all too often African governments and scholars proceed with policy-making based on such profoundly flawed, tourist scholarship of the 'Africanist' community. The adjustment programme was based on analyses that often had a very poor, largely anecdotal grasp of the African reality. The labour dimension of this has been covered elsewhere (Adesina 1994). While it is true that rural-urban migration, and targeting of relatively well paid formal sector job went with higher educational qualifications, the extent to which both are peculiarly African is difficult to see. The requirements for senior jobs in the US or the British Civil Service hardly disregard college (university) education. France even created special institutions of higher education where the cream of their civil service is trained.

22. For male income earners, Kendall's tau-c=.334, p=.000 (t=9.383). For female income earners Kendall's tau-c=.229, p=.000 (t=5.879). Both are based on Monte Carlo option in Exact Test.

23. Kendall's tau-c=.353, p=.000 (t=3.645) among female heads. Among male heads of household Kendall's tau-c=.287, p.=.000 (t=8.070). Both derive from Monte Carlo option in Exact Test.

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Appendix 1: Selected Macroeconomic and Social Policy Indicators: 1980-1994

Years	Nominal lending rate	Nominal exchange rate	Capacity utilization in industry	Inflation rate	Government Spending				
					(Recurrent) % Share of:			*(Capital) % Share of:*	
					Education	*Health*	*Housing*	*Education*	*Health*
1980	9.5	0.546	70.1	9.9	8.7	2.2	—	3.3	1.1
1981	10.0	0.610	73.3	20.9	3.8	5.4	—	4.6	0.7
1982	11.75	0.673	63.5	7.7	5.2	1.6	—	6.9	2.0
1983	11.50	0.724	47.5	23.2	6.3	1.6	—	10.4	2.9
1984	13.0	0.765	39.9	39.6	1.6	0.7	2.0	10.5	1.4
1985	11.75	0.894	42.7	5.5	1.5	0.7	3.2	9.7	2.3
1986	12.0	2.021	36.4	5.4	8.0	1.4	8.3	7.9	3.3
1987	19.2	4.018	42.0	10.2	1.5	0.9	—	2.3	0.4
1988	17.6	4.537	44.5	38.3	3.9	1.9	9.3	7.5	2.2
1989	24.6	7.392	42.4	42.4	2.6	1.5	8.0	11.6	3.2
1990	27.7	8.038	39.0	7.5	1.7	1.3	5.4	6.6	1.4
1991	21.0	9.866	39.4	13.0	1.0	0.5	3.2	3.3	1.6
1992	31.2	17.298	41.8	44.5	1.3	0.6	2.9	0.6	2.6
1993	29.2	21.886	36.2	57.2	2.4	0.6	4.8	3.9	1.7
1994	29.2	21.886	30.4	57.0	3.9	1.4	3.5	8.2	2.3

Sources: Central Bank Annual Reports, Federal Office of Statistics, Aigbokhan, 1997

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