

Economic Recession in Nigeria and Family Instability in Port Harcourt City Local Government Area, Rivers State, Nigeria

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Abstract

The Nigerian economy got into crisis in the first quarter of the year 2016 which was caused by severe fall in oil revenue, high drop in the country's gross domestic product (GDP), excessive importation, high interest rate, inflation and low investment inflows. This resulted in loss of jobs as companies and banks massively layoff staff, unemployment, salary cut, loss of business and low income earning affected several families. In this work, the impact of economy recession in Nigeria and its effect on family stability was investigated. A total of 200 questionnaires were distributed among 200 families in Port Harcourt City Local Government Area in Rivers State which were filled and retrieved for analysis using simple percentage. With respondents' rate of 95% (190 families), 85% of respondents insisted that the recession has forced their families into untold hardship, while 61% of the male respondents reported that they lost their jobs and their children dropped out of school. About 92% generally had a huge drop, in income. The findings showed that the major impacts of economic recession on family stability were child abandonment, malnutrition, increase in domestic violence and the number of street children, child abuse, poverty, adolescent prostitution/pregnancy and high death rate. Based on this work, 86% of 190 families under study were unstable. Thus, it was recommended that, to save families, the government should provide regular power for domestic businesses, invest in small scale business from the grass root to empower families, give access to loans, create jobs for young graduates, reduce interest rates and taxation to encourage investors, invest in entrepreneurs, human capital development and agriculture for a sustainable development and economic recovery.

Keywords:

Family stability, Child abandonment, Sustainable development

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Background to the Study

The National Bureau of Economic Research (NBER 2016) defined economic recession as a significant decline in economic activity, which spread across the economy that lasts for more than a few months normally visible in real gross domestic product, income, employment, industry production and whole sale-retail-sales. Report by the Central Bank of Nigeria in Friday Punch 19 May 2016 indicated that, in the third quarter of the year 2016, the growth observed in some selected sectors of the economic such as manufacturing industry was at -2.63percent, the chemical/pharmaceuticals industry stood at -1.53percent, the construction industry was at -0.11 percent, but the wholesale/retail trade industry was at -1.38percent, the transport/storage stood at 0.72percent, entertainment and recreation 1.99 percent. According to Noko (2016) Economic recession is a negative real gross domestic product growth that last for two consecutive quarters first and second). Going by the two definitions of Noko (2016) and NBER (2016), it can be deduced that Nigeria is in a full recession at the time of this study.

The Nigerian economy got into crisis in the first quarter of the year 2016 which was caused by severe fall in oil revenue, high drop in the country's gross domestic product (GDP), excessive importation, high interest rate, inflation, low investment inflows and poor management of government funds over the past two decades. This resulted in loss of jobs as companies and banks massively layoff staff, unemployment, salary cut, loss of business and low income earning affected several families. However, Noko (2016) insisted that the three major causes of the economic recession in Nigeria were, poor economic policy, fall in oil prices and the militancy in the Niger Delta. Despite the contributions by the federal government, to reduce the effect of the negative downturn of the economy, by implementing some fiscal reforms policies in 2016 which included CBN bailout to sub-national governments, where 23 States that had their bank loans amounting to N575.52billion restructured to 20 bonds, and 28 States benefited from the CBN's salary bailout of N373.56billion between August 2015 and January 2016 to help the states pay monthly salaries, some states like Bayelsa State and Ekiti State were unable to even pay salaries regularly. The private companies were not left out as many companies are owing their workers over six (6) months salaries. Thus, many oil and gas companies and non-oil and gas companies in Port Harcourt, and other States in the country massively dropped a sizable number of their staff. Among these were Chevron, Agip oil, Shell Development Company. Furthermore, due to the low purchasing power generally in the country and rivers state in particular, even the common market traders are unable to make turnovers, as there are less buyers and high cost of goods. All these have cumulated impact of families hence, the urgent need to study the effect of the current economic recession on family stability.

Objectives of the Study

The aim of this study is to examine how the economic recession in Nigeria affects family stability. Specifically, the study seeks to:

1. Examine the impact of economic recession on family stability.
2. Identify measure to be adopted by both the Federal Government of Nigeria and parents to overcome the issues of family instability resulting from economic recession.

Research Questions

Based on the objectives of the study, the following research questions were prepared for the purpose of the study

1. Is there any relationship between what economic recession and family instability?
2. What are the factors that should be put in place to improve the income of families and control/prevent family instability in an economic recession?

Hypothesis 1:

H_0 : Economic recession has not brought about family instability

H_1 : Economic recession has brought about family instability

Hypothesis 2:

H_0 : Diversification of the Nigerian economy by creating soft loans for agriculture and small scale businesses.

H_1 : Diversification of the Nigerian economic by creating soft loans for agriculture and small scale businesses.

Literature Review

Port Harcourt Local Government Area (PHALGA) is among one of the 23 local government areas of Rivers State in southern Nigeria with headquarters in Port Harcourt which is also the state headquarters. Port Harcourt local government area is included in the Greater Port Harcourt region. It is situated 52 kilometres (32 mi) southeast of Ahoada and about 40 kilometres (25 mi) northwest of Bori (Wolpe, 1974). It is bounded to the south by Okrika, to the east by Eleme, to the north by Obio-Akpor and to the west by Degema. It has a total size of 109 square kilometres (42 sq m) and Population of 638,360 people including youths and children with greater part of the population as youths and children. The local government area is part of the Rivers East Senatorial District consisting of 20 Electoral Wards. There are more than 1000 companies both oil and gas in Port Harcourt City local government area. The major oil companies include; Agip Oil, Royal Ducth Shell, Chevron and Polmaz limited among others. Thus the economy of the area is very viable.

Family stability refers to a condition that supports healthy child development, which includes a mental disorder and alcohol addicted free environment, stable relationship with all members of the family, and a supportive, flexible, and nurturing home environment (Brooks-Gunn, 2010). This implies that some indicators of family instability include: child abandonment, malnutrition, increase in domestic violence, children used to hack items on streets to get food on the table for the family, child abuse, poverty, adolescent prostitution/pregnancy and high death rate. Therefore, when these indicators are present, the family is unstable.

However, paternal absence not only leaves the custodial mother with less time to spend with children (due to the household and parental responsibilities), but non-resident fathers also tend to spend less time with their children than do resident fathers. Kelly and Emery, 2003) noticed that single-parent families often results in an ineffective training or children

because most times the custodial parent must assume both the position of a father (provider) and the mother (supervisor). This brings to bear that to avoid the situation of family instability, the parents (father and Mother) must be economically, socially mentally and emotionally stable. Therefore, a situation where the parents are plagued with reduced income, decreased finances available to family and businesses, a weak purchasing power, reduced consumer spending and decrease in sales of goods and services due to economic recession poses great challenge on the family. Several Studies have carried out on how the recession affects different aspects of the economy, ranging from the banking industry, the textile industry, the production industry, manufacturing, and education and how it has affected Nigeria at large.

Further studied carried out on the effect of economic recession on the textile manufacturing industry, observed that much money were lost due to recession and recommended that the government needed to create a favourable environment that can encourage in-country manufacturing in the textile industry (Chukwu, Liman, Enudu and Ehiaghe; 2015).. They further explained that due to the high production costs that resulted from a general collapse of the infrastructure, particularly the power and labour turnovers, so many factories packed off, thus the system observed a shrinkage in investments various companies started relocating from neighbouring countries (Akin, 2010). This increased cost of production, led to high cost of goods and services, high inflation and less production that made the entire Nigerian manufacturing industries to food production companies less competitive in both the local and the global market (Lyman, 2004).

The effect of recession on the banking sector was also studies by Adelman (2011) in his work, titled 'The Panic of 1893: Boosting Bankers' Money and Power' and noted that an economic recession can cause panic in the banking sector. However, literature has not specifically, considered the connection of economic recession with family instability of the individual families in Nigeria. However, research has shown that people (both men and women) experience economic distress with negative effects on mental health, such as increased level of anxiety, depression, and low self-esteem when there is a drastic drop in their income or lost their jobs. In this light, Elder (1998) observed a decline in perceptions growing children have of their parent's social status and parental authority the moment their parents or guardian loss their job or was not employment. This changes in children's perception and depreciation in the way they acknowledges the authority of their parents could lead to changes in behaviour. Such behavioural problems are usually consequences of family instability and the different ways parents respond to economic crises or recession. The level of cohesion in the family increasingly gets challenging because the likelihood of family conflicts may escalate among the members of the family during this period. (Leana and Ivancevich, 1987). Therefore, this study examines economic recession and family instability with the view of providing solutions to save the families from untold hardship and enhance sustainable development in Nigeria

Theoretical Frame Work

The main theory that envisaged how financial income affect family instability is the family stress theory (Osborne and McLanahan, 2007) by Reuben Hills in 1964 which states that the changes in economic, time, and parental resources are typically accompanied by Changes in family structure which subsequently leads to stress on families and adverse child outcomes.

This theory further explains that the stressor (factors that stress the family) include: financial strain, employment status of parents (loss of job or income from job) occupational status, duties to extended families, presence and number of children. Brooks-Gunn, (2010) suggested that changes in social networks and socio-emotional adjustments impacts results in family instability .Therefore considering the economic recession in Nigeria , the family stress theory as it looks at how income impact on the family instability forms the basic theoretical frame work of the study.

Conceptual Studies

Carlson and Corcoran (2001) found that family instability is associated with lower child cognitive scores, increased behavioural problems, and poorer health (Magnuson and Berger, 2009). Brooks-Gunn, (2010) studies have specifically focused on the issue of family stability i.e. whether the parent(s) with whom a child lives changed over time. Marriage at birth has been linked to a lower risk of later instability relative to at-birth cohabitation and single parenthood (Wu and Martinson, 1993). Subsequently, the marriage premium may be in part due to family stability rather than family structure. Most of this literature have looked at child bearing and parenting issues, single parenting and parental mental conditions on family instability but have not studies the impact of low income in this case economic recession on family instability.

Methodology

The method adopted in this study was the survey research design method. Where the research strategy was based on the use of question-based or statistical tools to collect information about how people think and act.

A total of 200 questionnaires were distributed among 200 families in Port Harcourt City Local Government Area in Rivers State randomly selected. The completed questionnaires were retrieved for analysis using simple percentage. The Chi-Square test was used to test the hypothesis.

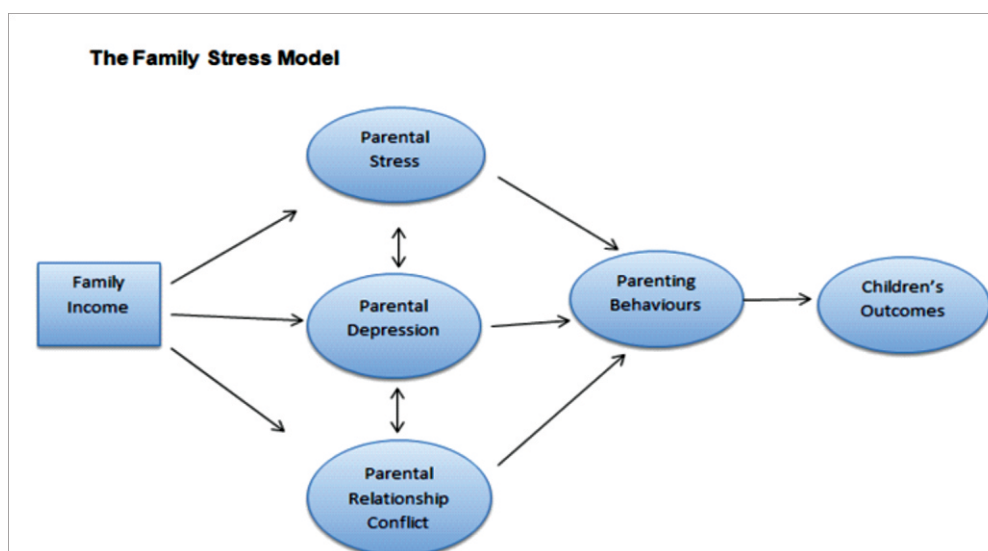


Figure 1: The family Stress Theory (www.goggle.image/familystresstheory).

Data Analysis, Results and Discussion of Findings

Presentation of Data

The data was presented using tables, figures and graphs.

Table 1: Questionnaire Response Rate

Parameter	No. of Questionnaire Administered	No. of valid Questionnaire Retrieved from Respondents	No. of invalid Questionnaire (not retrieved/retrieved but not usable)	Percentage Respondent %
Number of Families	200	190	10	95

Table 1 shows that out of the 200 families that received the questionnaires, 190 were filled and retrieved which represents a 95% respondent rate. In terms of socio-demographics of respondents, 65% were man while and 28% women and 12% were young boys and girls found on the streets and high ways hacking. These distribution was necessary with view of getting all the constitutes the family fully represented in the study

Table 1.1

However, 61% of the male respondents indicated that they lost their jobs. While a few has found small scale business others have gone into farming but lack of finances was their major challenge.

Table 1.1. Socio-Demographic Information of Respondents

Sex	Age	Employed/self employed	Unemployed	Lost Job due to recession	Frequency%
Married Men	28 and above	10(8%)	38(30.6)	76(61%)	124(65.3)
Married Women	26 and above	17(32.7)	31(59.6)	4(7.7)	54(28.4)
Boys	-	-	7(100)	-	7(3.7)
Girls	10 – 20	-	5(100)	-	5(2.6)
Total					190(100)

Answers to Research Questions and Discussion of Findings

Research Question 1

Is there any relationship between what economic recession and family instability?

Question 9: The economic recession has reduced your income and affected your support for your family making them go through hardship.

Questions 10: Families now engage in petty trading, thus involving their children in street hacking and sending them as house maids because of lost their jobs. It was also observed that the greater percentage of the 19% where civil servants (states and federal) , hence the result showed that the impact was not much on the civil servants and government did not lay off staff no refused to salaries. This result means that a total number of 61% of respondents

believes that their families now engage in petty trading, some parents have also involved their children in street hacking while others in places like Diobu has sent their children to stay with friends and non-relative as house maids so that help might come.

Applying the family stress theory, it is evident that the families now faces great economic stress which might lead to some emotional breakdown in the family resulting to domestic violence in some homes. Over, 25 women reported that their husbands have abandoned their children. Furthermore, the perception of children on their parent changes as parents can barely meet up with family demands. In fact, from the reports gathered in the course of this study, it was sad to note that several cult activities, gangsters, kidnapping and robbery were now regular occurrences in the area and unfortunately the young ones involved in these activities were found to be young boys and girls within 16 and 25year old .which shows that, this might have been the consequences of economic recession on family instability.

Test of Hypothesis 1

The research hypothesis were tested using Chi square (χ^2) based on the anticipated relationships. Using the statistical Package for social Sciences (SPSS).

Table 2: Chi Square values for test of Hypotheses one using SPSS

Variable	χ^2 (cal)	χ^2 (tab)	df	P-values	Decision
Economic recession and family instability.	33.074	7.815	3	0.05	χ^2 (cal) is greater the χ^2 (tab). Hence the H_0 is rejected and the H_1 is accepted

The value of χ^2 (cal) as shown in **Table 33.074** using a degree of freedom of 3 and confidence level of 0.05, the χ^2 (tab) is 7.815. Since χ^2 (cal) is is greater than χ^2 (tab) the H_0 is rejected and the alternate hypothesis H_1 which states that economic recession has brought about family instability: child abandonment, malnutrition, increase in domestic violence and the number of street children, child abuse, poverty, adolescent prostitution/pregnancy and high death rate. Therefore, based on this research, there is a relationship between economic recession and family instability.

Research Question 2

What are the measures that should be put in place to improve the income of families and control/prevent family instability in an economic recession?

Answers to Research Question 2

Based on this work, the following responses where suggested by respondents to improve the income of families to enable parents get self-employed and have a source of income for the sustainability of families during and after the economic recession in Nigeria.

1. That the government at all levels (Federal, State and Local Government) should invest in agriculture and small scale manufacturing thereby enhancing local production
2. Since most of the respondents (citizens) are into small scale business and farming, a regular power supplies, and provision of good roads

3. Government should enhance access to credit loans for farmers and small sale businesses
4. Human Capital development for youths, scholarship for students and sustainable development programmes such as skills acquisition.
5. Creation of Employment young graduate and those that lost their jobs
6. Families should also learn to live within their present income, reduce spending and be self-employed.

Test of Hypothesis 2

The research hypothesis were tested using Chi square (χ^2) based on the anticipated relationships. Using the statistical Package for social Sciences (SPSS) Questions 12 Parents cannot meet up with their family's medical bills leading to increase in death rate of children

In responding to the questions, 68% of respondents strongly agreed, 24% agreed, 5.2% disagreed, while 2.8% strongly disagreed. Based on this responses, it could be deduced that a total of 92% of respondents (families) testified to the fact that economic recession affected their families negative since in recent times. From the responses to question 12, about 86% could not meet up with their family's medical bills, some lost their children several childhood sickness as they could bare feed, thus increasing the level of poverty and death rate in the country. Recently there was outbreak of Laser fever and meningitis disease which has taking the life of both adults and children.

Table 3: Chi Square values for test of Hypotheses one using SPSS

Variable	X^2 (cal)	X^2 (tab)	df	P-values	Decision
Diversification of the Nigerian economic and creating soft loans for agriculture and small scale businesses	17.474	7.815	3	0.05	X^2 (cal) is greater than the X^2 (tab). Hence the H_0 is rejected and the H_1 is accepted

The value of X^2 (cal) as seen in **Table 3** is 17.474 with a degree of freedom of 3 and confidence level of 0.05, the X^2 (tab) is 7.815. Since X^2 (cal) is greater than X^2 (tab) the H_0 is rejected and the alternate hypothesis H_1 which states that diversification of the Nigerian economic by creating soft loans for agriculture, small scale businesses and developing young entrepreneurs would help economic recovery and reduce family instability.

Conclusion

A study on effect of economic recession has been carried out. The findings showed that there is a relationship between economic recession and family instability. It was also found that the major impacts of economic recession on family were child abandonment, malnutrition, increase in domestic violence and the number of street children, child abuse, poverty, adolescent prostitution/pregnancy and high death rate. Based on this work, 86% of 190 families under study were unstable. It therefore imperative that an urgent intervention be made to save families. The government must intensify efforts to overcome the present economic recession, provide jobs and improve the standard on living in Port Harcourt City Local Government and Nigeria at large.

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