

IMPACT OF LABOUR EXCHANGE CENTRES ON INCOME GENERATION IN TANKE, ILORIN KWARA STATE, NIGERIA

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Abstract

The labour Exchange center plays a critical role in the effective and efficient organization of the labour market, and the attainment of the long-term goal of full, productive, and freely chosen employment. However, Nigeria has a lower concentration of research on the labour exchange center and income generation. Therefore, the study investigated the impact of labour exchange centers on income generation in Tanke, Ilorin. Specifically, the study examined the availability of the labour exchange center, its impact on the level of unemployment and the standard of living, and its contribution to Kwara State's internally generated revenue. A total of 100 casual workers in Tanke, Ilorin, were randomly selected with a simple random sampling process. A questionnaire was constructed; the responses to the questionnaire were complemented through personal interviews with the SMEs by the researcher. Descriptive analysis was used to identify the socio-economic characteristics of the respondents, and ordinary least squares (OLS) was used to test the significant impact of the labour exchange center on the level of unemployment, standard of living, and contribution to internally generated revenue. Findings of the study revealed; The Labour Exchange Centre enhances the number of hours worked by those who are registered with and have received training from the centre; those who visit the centre regularly pay more tax than those who do not, and as such, improve the IGR of the state and there was no statistically significant positive impact of the labour exchange centre on the standard of living of the respondents. It was recommended based on the findings of this study that unemployed youth in the state should patronize the labour exchange centre, as it has the potential to link them with employers; employers should also look towards the labour exchange centre while recruiting their workforce; and the state should grant registration status and then provide a regulatory role to the centre for proper organization.

Introduction

Employment security cannot only be achieved through economic growth and well-designed employment policies but must also be supported by complete and solid implementation of those policies (Sungpil, 2015). In implementing and delivering labour market programmes at the local level, labour exchange centers play an overarching role in achieving employment security, employment promotion, and job creation. The Labour Exchange Center refers to an organization that matches employers to employees. Labour exchange center adopts or provides job seekers and employers with services such as job placement and labour market information. The labour exchange center plays a critical role in the effective and efficient organization of the labour market, and attainment of the long-term goal of full, productive, and freely chosen employment. By facilitating the efficient matching of supply and demand for labour and alleviating structural and frictional bottlenecks in the labour market, employment services contribute to a better functioning of the labour market, improved productivity, overall growth, and poverty reduction. Labour exchange centers in a developing country context can assist in the implementation of employment policies, provision of labour market information and matching services, with respect to the informal economy, promoting self-employment and formalization of such employment. In the latter case, employment services provide information on various labour market programmes being offered, as well as ensuring coordination of such services to maximize their impact.

In all developed countries, there is a publicly funded employment agency and multiple private businesses that act as employment agencies. Examples of such include employment services in Korea, which have been provided by various types of organizations, such as the central government, local governments, government-affiliated bodies, and private employment agencies (Krivet, 2010). In other words, both public employment services and the private agencies co-exist in Korea. However, the public employment services are more developed and play a key role in the labour market in terms of their size, functions, and performance. By contrast, the private employment agencies tend to be smaller in terms of human and material resources and provide job placement services and carry out tasks outsourced by the public employment service (Krivet, 2010). Although some parts of the public employment service are provided by a few Korean central government ministries, local governments, and government-affiliated bodies, the core organization delivering the public

employment service is the labour exchange centre operated under the supervision of the Ministry of Employment and Labour (MOEL) (Dug Ho, 2014).

Similarly, the Federal Ministry of Labour and Employment in Nigeria implemented National Labour Exchange programmes to promote job exchange processes across Nigeria. National Labour Exchange is designed to evolve a database of employable labour in the country in order to facilitate the job exchange functions of the Ministry. It provides advice on skill demand, thereby creating a link between employer needs and skills, and provides employers with both local and international access points to the available labour in the country (National Electronic Labour Exchange, 2016). Ogundare (2016) argued that the Lagos State Ministry of Wealth Creation and Employment inaugurated the job registration/labour exchange centre to enable jobless youths and artisans get their data captured and guidance and counselling to register and guide them through a career path. The labour exchange center provides employability skills for those who are seeking employment so that in the long run, citizens would get something doing in terms of getting paid or being self-employed. Hence, reduces social vices and poverty level; improving the standard of living of the people, through income generation in the state in terms of creation of wealth and employment.

However, no other state government in Nigeria has a formal setting of a labour exchange center, and as such, it is regarded as an informal sector. Ghebregiorgis, Mehreteab, and Hailemariam (2016) argued that in the developing world, the informal sector is generally a larger source of employment than the formal sector. Scholars were of the view that the informal sector is seen as having a positive influence on the economy because it creates more jobs and grows more quickly than the formal sector. In general, the informal sector contributes to the nation's income; it creates employment and serves as an important linkage with the formal sector of an economy (Blunch & Dhushyanth, 2001; Chen, 2001; Charmes, 2000; Hussmanns, 2004). Similarly, (Rakowski, 2014; Moser, 2014) argued that the informal economy provides a solution to poverty and economic problems of developing countries and is a useful tool in improving the economic situation of the poor as it generates employment and income for the poverty-ridden masses. Despite the sectors' contribution to income generation, it could still be observed that there is rampant poverty raging among those who are active in this sector. As a result, many researchers associate poverty with the informal sector. Some scholars express their concern over the tendency to conflate informality and poverty as one and the same. The fact that most of the world's poorest people work in the informal sectors has led observers to use the terms 'informal' and 'poor' almost synonymously, as well as other terms associated with vulnerability, such as 'marginalized', 'excluded', or 'precarious'. But not all informal workers have poor income, and not all who earn poor income are engaged in the informal economy (Peattie, 2007).

Statement of the Problem

In the contemporary global world, the upshot of unemployment has become an all-encompassing concern. It is a challenge that most economies are facing in the current economic circumstances. Research has also shown that unemployment was high in the 1980s, but the available reports from various local and international bodies show glaring evidence of joblessness in decades of Nigeria's chequered history, where unemployment is as serious as it is now. The Labour Exchange Center is a special income generation intervention adopted throughout the globe. The Federal Ministry of Labour and Employment in Nigeria launched a labour exchange center to match employers to suitable employees, reduce unemployment, ensure wealth creation, and reduce the poverty level across the nation. However, though the formal public labour exchange center is yet to be reported in Nigeria, the available labour exchange center is characterized as non-formal and casual. The non-formal labour exchange center recorded a large number of would-be employees daily. The settings allow for a would-be employee to be on stand while waiting for an employer that will hire them for any form of services, such as washing and cleaning, or working as construction labourers. Despite the large number of labourers who turn out daily, the exchange center is yet to gain approval of the State or any other formal institutional support. This could be due to the low level of engagement in taking up small economic activities, low capital, low manpower, and above all, a low gestation period. Furthermore, the study area is characterized by poor educational access and a poor standard of living despite the income generation of the people in the study. Thus, it is pertinent to look into the impact of labour exchange centers on income generation in Tanke Area in Ilorin, metropolis.

Objectives of the Study

The main objectives of this study are to determine the impact of labour exchange centers on income generation in Tanke, Ilorin. Other specific objectives are to:

1. Examine the availability of the labour exchange center in the Tanke area, Ilorin.
2. Assess the impact of the labour exchange center on the level of unemployment in the Tanke area, Ilorin.
3. Evaluate the impact of the labour exchange center on the standard of living in the Tanke area, Ilorin Metropolis.
4. Evaluate the contribution of the labour exchange to internally generated revenue in Kwara State.

Research Questions

The following questions were answered in this research.

1. What is the level of labour exchange center availability in Tanke area Ilorin, Kwara State?
2. Does labour exchange center reduce the level of unemployment in Tanke area, Ilorin?
3. Does labour exchange center improve standard of living in Tanke area in Ilorin?
4. Does labour exchange center contribute to internally generated revenue in Kwara State?

Hypotheses

Ho₁: Labour exchange center has no impact on unemployment level in Tanke area, Ilorin.

Ho₂: Labour exchange center has no impact on standard of living in Tanke area, Ilorin.

Ho₃: Labour exchange center has no impact on internally generated revenue of Kwara state.

Review of Related Literature

Labour is regarded as one of the primary factors of production. Labour is the collective name given to the productive service, embodied in human physical efforts, skill, and intellectual power. There are different types of effort and skill content. This means that labour input is not homogeneous according to the principle of economics of production. Resources are relatively scarce or limited in supply, which means the demand for goods and services exceeds the productive capacity. The word is volatile, uncertain, complex, and ambiguous (Akinoso, 2015). It requires innovative experience and strategies always (Akinoso, Awofala, 2021). Since resources are scarce and human wants are unlimited, society is obliged to manage these resources efficiently. Labour economics, therefore, looks at ways labour as a resource could be efficiently utilized. Labour market institutions are generally regarded as an important determinant of efficient economic performance and welfare distribution in an economy. However, there is no consensus regarding the kind of policy that positively affects the economy in relation to its cost (Botero et al., 2004). For example, the sovereign debt crisis in European countries since the middle of the 2000s revealed the challenges of agreeing on priorities in labour market policies when the government budget is strictly constrained.

The intricacy of labour market policies is mainly due to the complex relation among policies themselves, which are usually divided into four dimensions. First, the mandatory provisions of labour contracts, which determine the minimum level of wages, the maximum hours of work, and other important items of the contracts. Generally, a simple mutual agreement between an employer and employee cannot escape legal provisions; in other words, the restriction on freedom of contracts is the fundamental root of labor market policies. Second, policies that provide income support for disadvantaged people, typically provided by unemployment insurance, are often referred to as "passive" labour market policies. Based on a normative tradition of poverty relief, which most societies have historically constructed as a safety net in terms of income. Third, "active" labour market policies involve the solving of inefficient mismatches in labour markets by intermediating demand and supply by public employment offices and other entities. Occasionally, this involves vocational training of job seekers, who can then obtain skills that meet the potential demand of employers.

As governments prepare labour market policies bearing in mind all the categories mentioned above, it is not easy to isolate the effect of a single institution. A typical example is numerous econometric evaluations of unemployment benefits and vocational training. Although economists have attempted to exploit carefully designed experimental circumstances, they have not yet reached an unambiguous consensus (Card et al., 2010). These trials indicate that it is difficult to simultaneously control for the four policy dimensions mentioned above in sophisticated societies. Given such difficulties, a historical

review provides an alternative means of understanding and evaluating the role of labor market institutions in the process of economic development. Before the 1930s, labor market institutions were much simpler even in the three most industrialized economies, including the US, the UK, France, and Germany. In addition, their economic circumstances had some similarities to those of certain developing and emerging countries of today, which allows us to deduce practical policy implications from their historical experiences.

Labour Exchange Center refers to an office of the central or state government, which collects and furnishes information on the prospective employers, available vacancies, and job seekers, thereby facilitating job seekers to find a suitable job and for industry to find suitable manpower. Job seekers register themselves with the Employment Exchanges and get notified as soon as any vacancy matches their desired profile. The main activities of the employment exchanges are registration and placement of job seekers, and to some extent, career counselling and vocational guidance, particularly for the under-privileged sections of society, and the collection of employment market information. Some of the State Governments arrange the disbursement of unemployment allowance to certain specific categories of job seekers out of their own resources through the employment exchanges registered with them.

Theoretical Review

The theoretical support for output growth in economic discussions usually centres on theoretical analysis of labour and industrial relations.

The Dualist Approach: The dualist approach explains the informal sector as a set of subsidiary activities that provide incomes for the deprived, those who are incapable (for various reasons) of accessing employment in the formal sector (Reimer, 2003). According to Gordon (1982: 188), the informal sector growth is because not enough modern job opportunities have been created to absorb surplus labour, due to a slow rate of economic growth and/or a faster rate of population growth." The formal sector dominates the key industrial sector, capturing rapidly expanding markets and initiating innovative technological changes. As the economy grows, the formal sector economy becomes increasingly differentiated from the informal sector economy that remains on the periphery. African countries are characterised by more than one "labour market" with huge differences between one market and another (Chen, 2007). The labour market is the market in which people battle for occupations and employers compete for the available workforce. There are various ways of thinking about these two markets: informal-formal markets. The formal sector is deemed superior to the informal sector, and these two types of sectors result in economic dualism that comprises informal sector employment and formal sector employment (Gorden, 1988).

Human Capital Investment Theory: This theory was put forward by Becker in 1975. Through the theory, Becker (1975) highlights various interaction paths between income expenditure and human capital development. The theory explicitly demonstrates that spending increases human capital and enhances an individual's income-generating ability in the form of an increase in output. The theory in its original form states that high income allows people to invest more financial resources in educational attainment, both in terms of quantity and quality, which may eventually affect both present education performance and future education demand.

Neo-liberalism: Peruvian economist Hernando De Soto caused a paradigm shift of sorts when he published his treatise on Latin America's informal sector (Henken, 2005). Neo liberalism is an ideology based on economic liberalism. The ideology favours economic policies that minimize the role of the state and maximize the private business sector (Wikipedia, 2010). Neo-liberalism seeks to transfer control of the economy from the public to the private sector under the belief that it will produce a more efficient government and improve the economic health of the nation. De Soto (1989) asserts that the informal sector is a response to excessive state regulations. De Soto subscribes to the notion that the informal sector comprises 'plucky' micro-entrepreneurs who choose to operate informally to avoid the costs, time, and effort of formal registration. He noted that micro-entrepreneurs would continue to produce informally so long as government procedures are cumbersome and costly in terms of bureaucratic red tape, lack of property rights, and difficult accessibility to productive resources like finance and technology. In his view, unreasonable government rules and regulations are stifling private enterprise.

Methodology

A descriptive design of the survey type was used for this study. A survey technique was employed based on the nature of the area under study, which demands a significant amount of data from a meaningful population size in an efficient manner. The two survey techniques employed are the questionnaire and interview, since they are the methods that are well understood by researchers. A structured questionnaire was used and designed to capture accurate data and unbiased responses. The study employs a cross-sectional survey design. A cross-sectional survey design is a suitable way to describe events and opinions rather than the manipulation of variables (Oso & Onen, 2009). It is this intention to describe "variables as they are" that made the sectional survey an ideal design for the study.

The study targeted population is the labour exchange center and the readily available casual workers in Tipper garage junction, Tanke. The sampling technique used was simple random sampling since not all casual workers in Tanke can be reached for data. A simple random sampling technique was used to provide equal chances of being selected for fair and adequate distribution of the research instrument used (Questionnaire). The technique was used to select 100 casual workers, who constituted the respondents' frame. Of the 100 distributed questionnaires, 95, representing 95 % were useful for the analysis of the study. The instrument used was a researcher-designed and well-structured questionnaire. Since the sample size is 100 respondents, a total of 100 copies of the questionnaire were administered for the purpose of this study. The questionnaire was structured to ensure that all the data collected for the research were accurate and transparent. The questionnaire was based on five sections: 'A', 'B', 'C', 'D', and 'E'. Section A sought the demographic information of the respondents, while 'B', 'C', and 'D' provide the level of unemployment, standard of living, and internally generated revenue in Kwara state, respectively.

Model Specification

The model for this study is specified based on the lessons learnt from the reviewed theoretical and empirical literature. Based on the model of Iturbe (2003) the model for this study is accordingly expressed as follows

$$Y=f(LEC, HHC) \text{---(1)}$$

Where Y, is the dependent variable, is the income generation of casual workers which depends on (LEC), that is labour exchange centers, and HHC that is household characteristics.

The model can be decomposed and modified as
 $Y=(UE, SOL, IGR) \text{---(2)}$

Where UE is the level of unemployment, SOL is the standard of living, IGR is the internally generated revenue.

$$HHC=(GND, MRST, FMS) \text{---(3)}$$

Then

$$Y=f(LEC, GND, MRST, FMS) \text{---(4)}$$

Using 2, the three models of the study are $UE=f(LEC, GND, MRST, FMS) \text{---(5)}$

$$SOL=f(LEC, GND, MRST, FMS) \text{---(6)}$$

$$IGR=f(LEC, GND, MRST, FMS) \text{---(7)}$$

The three (3) equations above can be expressed in linear form as:

$$UE=\beta_0+\beta_1 LEC+\beta_2 GND+\beta_3 MRST+\beta_4 FMS+\mu \text{---(8)}$$

$$SOL=\beta_0+\beta_1 LEC+\beta_2 GND+\beta_3 MRST+\beta_4 FMS+\mu \text{---(9)}$$

$$IGR=\beta_0+\beta_1 LEC+\beta_2 GND+\beta_3 MRST+\beta_4 FMS+\mu \text{---(10)}$$

Where all variables are as described above,
 β_1 to β_4 are the slope coefficients to be estimated,
 β_0 is the intercept term and μ is the error term

Variable Description and Measurement

The dependent variables of the study are unemployment, standard of living and IGR. The unemployment is measured using the number of hours worked by individuals. The more hours an individual works in a week, the lower the tendency of him/her being categorized as being unemployed. The standard of living is measured by addition of five (5) key indicators and individual has very low standard of living if he/she is only able to meet one, low if two, moderate if 3, high if four and very high if 5. The IGR is measured by the amount that an individual pay annually on average as tax to the state government.

The independent variables of the study include labour exchange which is assigned 1 if individual visit the labour exchange centre regularly and 0 otherwise; gender (GND) which is assigned 1, if individual is male and 0 if female; marital status which is assigned individual is single and 0 if married, and family size which is the number of individual in the household of the respondent.

Table 1: Summary Statistics

Variable	Obs	Mean	Std.Dev.	Min	Max
Continuous Variables					
HoursWorked per week	95	13.932	12.066	0	50
TaxPaid per year	95	1360.588	1318.711	0	4000

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Categorical Variables Frequency Percen

SOL:

Very low	23	24.21
Low	25	26.31
Moderate	22	23.16
High	21	22.11
Very High	4	4.21

Maritastatus: 95

Single	59	62.11
Married	36	37.89
Divorce	0	0

Gnd: 95

Male	60	63.16
Female	35	36.84

LEXC: 95

Visit Regularly	67	70.52	29.47
Not Visit Regularly	28		

Source: Author's computation, 2019

The summary statistics of the variables of the study are presented in table 1. From the table, the respondents worked for an average hour of 13.9 per week and paid on average #1,360.00 annually as tax. The study also revealed that, the 24.21 percent reported very low level of living standard and 26.31 percent reported low level of living standard, 23.16 reported moderate, 22.11 reported high and 4.21 percent reported very high level of living standard. Of all the respondents, 62.11 percent are single while the remaining 37.89 percent are married. Also, 63.16 percent are male while 36.84 percent are female. In terms of

visitation to the labour exchange centre, 70.52 percent of the respondents visit the centre regularly while the remaining 29.47 percent do not visit regularly. The inability of the proportion of respondents to visit the labour exchange centre may be as a result of lack of awareness and the nature of the centre since it is not organized. The correlation coefficients among the variables are presented in the correlation matrix of table 2. The correlation matrix shows that the variables are moderately related and none of the estimated coefficient is close to 0.9. This implies that the problem of multicollinearity is not likely to be encountered in the regression analysis to obtain the slope coefficient of explanatory variables in each of the regression models of this study.

Table 2: Correlation Matrix

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) SOL	1.000						
(2)HoursWorked	0.333	1.000					
(3) TaxPaid	0.235	0.889	1.000				
(4) LEXC	0.135	0.297	0.357	1.000			
(5) Gnd	0.068	0.201	0.194	0.542	1.000		
(6) maritastatus	0.172	0.133	0.137	0.207	0.200	1.000	
(7) Fms	0.044	-0.129	-0.153	-0.341	-0.197	-0.127	1.000

Source: Author's Computation, 2019

Regression Results

This section presents the estimated regression results for each of the three models in the study. Table 3 relates to the assessment of the impact of labour exchange on the internally generated revenue of Kwara state. The results show the variable signs of LEXC as positive indicating that, labour exchange has a positive impact on the tax remittance by the respondents. The effect is not only positive, but also statistically significant at 1 percent level given its associated p-values of 0.000 which is less than 0.01. The implication of the result is that, the average tax paid by those who visit the centre regularly are higher than those who do not collaborate with the labour exchange centre in Tanke area of Ilorin.

Table 3: Estimated Regression Results for IGR

TaxPaid	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]
LEXC	904.429	233.193	3.88	0.000	444.003	1364.855
Gnd	-19.082	212.315	-0.09	0.928	-438.286	400.122
Maritastatus	183.038	159.938	1.14	0.254	-132.752	498.827
Fms	-22.485	44.179	-0.51	0.611	-109.715	64.744
Constant	985.373	258.261	3.81	0.000	475.450	1495.295
Mean dependent var		1360.588	SD dependent var			1318.711
R-squared	0.132		Number of obs			95.000
F-test	4.658		Prob > F			0.001
Akaike crit. (AIC)		2910.018	Bayesian crit. (BIC)			2925.697

Source: Author's Computation, 2019

The results further revealed that, none of the control variables of the study is statistically significant at any conventional level of significance. This is because none of the control variables coefficient has an

associated p-value that is below at least 0.1.

The results of the R-squared (R^2) indicate 13.2 percent which is relatively low, which is tolerable in cross-sectional study (Gujarati, 2009). The F-test with its corresponding p-values of 0.001 shows all the explanatory variables are jointly significant in explaining the model. The post estimation heteroscedasticity is presented in appendix section, and the results accept the null hypothesis of constant variance. Thus, there is no evidence of heteroscedasticity in the model.

The results in table 4 relates to the impact of labour exchange on job creation. The results indicate that, those who visit the labour exchange centre regularly work longer hour in a week than those who do not. This is further demonstrated by the positive signs of the coefficient of the labour exchange rate. This result is significant at 1.0 percent level of significance with a p-value of 0.003 that is less than 0.01. From the three control variables included in the study, none of the variables have significant influence on the hours worked by the respondents.

Table 4: Estimated Regression Results for Job Creation

HoursWorked	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]
LEXC	6.084	1.990	3.06	0.003	2.156	10.013
Gnd	1.159	1.770	0.66	0.514	-2.336	4.654
Maritastatus	1.772	1.615	1.10	0.274	-1.416	4.960
Fms	-0.175	0.445	-0.39	0.695	-1.054	0.704
Constant	10.501	2.679	3.92	0.000	5.211	15.791
Mean dependent var		13.932	SD dependent var			12.066
R-squared		0.096	Number of obs			95.000
F-test		3.485	Prob > F			0.009
Akaike crit. (AIC)		1321.05	Bayesian crit. (BIC)			1336.737

Source: Author's Computation, 2019

The results of the R^2 to be shows 5.1 percent. Though it is relatively low, such result is not uncommon with cross-sectional data according to Gujarati (2009). The F-test with a p-value of 0.067 indicates that the explanatory variables are jointly significant in explaining the model since it is at least less than 0.1. The Breusch-Pagan post estimation diagnostic test failed to reject the null hypothesis of constant variance indicating no evidence of heteroscedasticity .

Table 5 result presents the standard of living of the respondents and assess to labour exchange centre. The results show that though labour exchange positively affect the standard of living with the coefficient of LEXC being positive, the impact is not significant since the p-value of 0.103 is above 0.1. Among the explanatory variables, only marital status has positive and significant impact on the standard of living while the remaining two are not statistically significant since their corresponding p-value is above 0.1. Thus, labour exchange has no impact on the standard of living of the respondents.

Table 5: Estimated Regression Results for Standard of Living

SOL	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]
LEXC	0.413	0.252	1.64	0.103	-0.085	0.911
Gnd	-0.068	0.237	-0.29	0.775	-0.535	0.399
Maritastatus	0.441	0.217	2.04	0.043	0.013	0.869
Fms	0.079	0.057	1.38	0.168	-0.034	0.191
Constant	1.920	0.334	5.74	0.000	1.260	2.580
Mean dependent var		2.676	SD dependent var			1.308
R-squared		0.051	Number of obs			95.000
F-test		2.236	Prob > F			0.067
Akaike crit. (AIC)		573.795	Bayesian crit. (BIC)			589.474

Source: Author's Computation, 2019

The F-test and the associated p-value of 0.067 indicate that the explanatory variables of the model are jointly significant in explaining the behavior of standard of living. The post estimation Breusch-Pagan diagnostic test of heteroscedasticity failed to reject the null hypothesis of constant variance which indicates that no evidence of heteroscedasticity is present in the result.

Discussion of Findings

The results presented above indicate that labour exchange centre enhances the number of hour-worked by those who are registered with and received training from the centre. The implication of this is that labour exchange centre can play a key role in government efforts and concerned stakeholders in reducing unemployment thereby increasing productivity in Nigeria. Similarly, the results further revealed that, those who visit the centre regularly pay more tax than those who do not. The implication of this finding is that labour exchange centre creation can play a key role in the internally generated revenue enhancement effort of the government.

Also, the results could not have established positive statistically significant impact on labour exchange centre on the standard of living of the respondents. The explanation for this outcomes may be that, even though this increases the number of hours worked by the respondents that visit the centre regularly, the level of increase in their income is not substantial enough to improve their level of well-being to the fact that majority of them are under paid for the work done.

In the contemporary global world, Nigeria inclusive, the up-shoot of unemployment has become an all reaching concern. Research have shown that, unemployment was high in the 1980s, but the available reports from various local and international bodies, and the glaring evidence of joblessness in this decades are clear indications that there was no time in Nigeria's chequered history that, unemployment is as serious as now (Arosanyin, Olowosolu and Oyeyemi, 2011). By facilitating the efficient matching of supply and demand for labour and alleviating structural and frictional bottlenecks in the labour market, labour exchange centres can help to reduce the level of unemployment. The study put this into empirical test by examining the extent to which labour exchange centre in Tanke Areas facilitates income generation.

The study was based on the neo liberalism theory framework which models the relationship between informal sector (trade workers) in relation to income generation on one hand and poverty alleviation on the other hand relevant to MDG goals. The study used linear regression model to analyse the data generated through Ordinary Least Square methods. The validity of the method was tested using post estimation diagnostic tests such as; heteroscedasticity test (using Breusch- Pagan-Godfrey test). The results of the test show no evidence of serial correlation and heteroscedasticity. The study examines the possibility of the presence of multicollinearity based on the correlation coefficient results, it was however found that, there was no evidence of multicollinearity since the correlation coefficients are not in any way closer to 0.9.

The results of the OLS regression revealed a positive and statistically significant impact of the labour exchange centre on the number of hour that the participants work. On average, those who visit labour exchange centre regularly work approximately 6.084 hours more than those who do not. It was also found that those who visit the labour exchange centre pay more in taxes on average than those who do not. Specifically, they paid on the average, #904 as tax annually than those who do not visit the centre regularly. However, the study failed to find positive impact on the labour exchange centre on the standard of living of the participants. This could be due to the fact that the participants are being under paid by their clients. All the control variables used to avoid omitted variable bias are not statistically significant in the first two models, but marital status of the respondents influences their standard of living.

Conclusion

Labour exchange centre improves income generation of both individual and the government. The significant impact on labour exchange centre and job creation was established in this study thereby leading to increase in internally generated revenue for the state. However, though the impact on the standard of living was positive, it was not statistically significant as indicated in the results obtained.

Recommendations

The recommendations of this study are as highlighted below:

- (i) Unemployed youth in the state should patronize labour exchange centre as it has potential to link them with employers. This action will help them to quickly and easily come in contact with the employers who may need their skills.
- (ii) Employers in the state should also look towards the labour exchange centre while recruiting their workforce. According to the findings of the study, over sixty percent unemployed are already patronizing the centre. By patronizing the area, employer could easily find the people with skill required at relatively lower transaction/search cost.
- (iii) The state should grant registration status and then provide regulatory role to the centre to ensure that this is more organized. This will ensure that, workers are adequately remunerated and improve confidence on the employer and workforce from this centre.

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