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## **INCOME SHOCKS AND CONSUMPTION PATTERNS AMONG OSUN STATE WORKFORCE IN THE FACE OF ECONOMIC DOWNTURN<sup>1</sup>**

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**Review**

### **Abstract**

*In Nigeria, impact of economic downturn has been visible not only on impact to macro-economy, but, importantly on allocation of resources to various states of federation and consequently on regular payment of salaries to workforce. The extent to which economic downturn has influenced income shocks and consumption pattern has not been so much studied in the literature. Hence, the objective of this paper is to analyze income shocks and consumption pattern in the face of economic downturn particularly among Osun State workforce. Primary survey was conducted; in which questionnaire was administered to about 1200 respondents which were randomly selected from 12 local governments (LGAs) in Osun State.*

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*The 12 LGAs were chosen using stratified random sampling from 30 LGAs which were selected based on the 3 Senatorial zones in Osun State. It was found that there is significant relationship between income shocks as a result of economic downturn and the consumption pattern of Osun State workforce. The study found that a unit increase in fluctuation in monthly salary results to a -0.026 decrease in consumption pattern which indicated a negative relationship between fluctuation in monthly salaries and consumption and  $t$ -value = -0.305. The result of the analysis is statistically significant to employee performance at 5% confidence level. Hence, the null hypothesis is rejected and the study concludes that fluctuation in monthly salary of workers has a negative relationship with consumption pattern, necessitating better coping strategies. The paper recommended that the workforce should be encouraged to get themselves involve with other income generating activities to cushion the effects of income shocks.*

**Keywords:** *Income shocks, Consumption pattern, downturn, Nigeria*

**JEL:** D12, D31, E3, L67

## 1. INTRODUCTION

A country can be said to be in the phase of recession, when the economy is far from the point of effective use of resources (Nikoloski and Lazarov, 2000). Recession is seen by the National Bureau of Economic Research (NBER, 2010) as a significant decline in economic activity spread across the macro-economy, lasting more than a few months and normally visible in real gross domestic product, real income, employment, industrial production and wholesale and retail sales.

Nigeria, the hub of West Africa's economy has remained stagnant, following the declaration of global economic and financial crisis which became major concerns for political leaders, economists and managers of financial institutions across the globe. According to trend and figures, the technical state of recession in Nigeria was declared by the Minister of Finance, Kemi Adeosun and It was later confirmed by the Central Bank of Nigeria (CBN) Governor, Godwin Emefiele and the Minister of Finance, Kemi Adeosun that Nigeria's economy was officially declared to be in a technical recession based on the new trend figures released. (Adetayo and Sidiq, 2018)

Consumption is perhaps the most important economic behavior of human beings, and to it goes the lion's share of a country's annual product. (Ding, 2006). Consumption pattern of a household clearly indicates the living standard of that particular household. The main determinants of consumption pattern are income, household size, distribution of assets and income, number of employed persons in a household, regional characteristics, prices etc. (Siddique, 1982). On the

aggregate, household behaviour to national trends in income exemplify how the overall economy operates (Samuelson and Nordhaus, 1998).

The downturn in the case of Nigeria is as a result of dependence on oil as the major source of revenue and neglecting other sectors of the economy for many years coupled with maladministration of resources and this was the reason for the reduction in allocation to States. Nigeria being a mono economy which depend mainly on oil, the reduction in her income makes her allocation to various states reduce which in turn slow down economic activity in various state that prompted some state government like Osun state to go into borrowing from external organization for example N4.84bn, N2.87 bn, N8.54bn and N12.65bn was deducted at source to cover the State's liabilities in the year 2011, 2012, 2013 and 2014 respectively. The reduction in allocation affected government in fulfilling parts of their obligations like regular payment of salaries to civil servants ( Popoola and Jimoh, 2016).

Existing studies showed that there is consensus in literature on how income affect consumption pattern. For instance Asma (2010), (Aliuddin, 2014) and (Mckiernan, 1996) showed that economic crises have consequent impacts on relative levels of consumption.

In Nigeria, however, Akekere and Yousuo (2010) study revealed that change in income affect private consumption expenditure. Joseph and Siyan (2018) showed that individuals do not simply behave according to the baseline models of consumption, but Consumption patterns favoured non-durable consumption and necessities. In accessing the effect of income shocks on household real consumption expenditure, taking into account the various informal coping strategies adopted by the households, Ajefu (2017) showed that idiosyncratic shocks have effect on household consumption expenditure and the informal insurance strategies play only limited roles in providing the needed insurance to households in the face of shocks. Okeke (2000) study on consumption patterns of low income rural households showed communities adhered to traditional food habits that are related to socio-economic status, production, distribution, utilization and household size.

In summary, existing studies have shown that income shocks clearly impact consumption pattern in Nigeria, however, the extent to which economic downturn has influenced income shocks and consumption pattern have not been so much studied in the literature, hence, the objective of this paper is to analyze income shocks and consumption pattern in the face of economic downturn particularly among Osun State workforce. Sections 2 and 3 presents literature review and the research method. We present data analysis in sections 4, while section 5 concludes the study.

## 2. LITERATURE REVIEW

### 2.1. Empirical Review

Existing studies suggested that studies on consumption patterns spanned across developed and developing economies, urban and rural communities, however, the results produced from these studies have produced mixed results. Asma, (2010) conducted a research on Consumption Pattern of Pakistani households; Evidence from Pakistan Panel Household survey 2010. The study was conducted using the survey data from Pakistan Panel Household Survey (PPHS) 2010 and also estimated the budget shares for four consumption categories and the validity of Engel's law in case of Pakistan. The budget allocation for different consumption categories was also observed to analyze the priorities of consumers.

Aliuddin (2014) conducted a research on the empirical study into the relationship of income and consumption using Cross-Sectional Data in which both the primary data and secondary data of consumption was used as dependent variable. The study showed that the determinants income, education, family size had high on consumption. The overall result of the research work support the view of Keynes on consumption theory as consumption is a positive function of income. The potential of consumption was higher in higher income group.

Sheria and Robinson (2013) studied the effects of World Financial crisis on food consumption spending among Households in Jamaica, in which the sample was drawn using a two-staged stratified random sampling design where there is a Primary Sampling Unit (PSU) and a selection of dwellings from those units. Their results revealed the gap between the richest and poorest households' food expenditure remained constant and suggests that food insecurity in Jamaica might not worsen significantly despite the significant hardships in terms of increased poverty, lower income and other economic crises.

A study examined the effect of economic crisis on people's consumption behavior in general which was conducted by (Mckiernan, 1996). The study has shown how economic crises, as explained by the credit market, affect consumption. The study looked at how disposable income changes in times of economic crisis, which in turn lead to liquidity constraints that force people to cut down their consumption. The study gives a general understanding of the relationship between income and consumption in times of economic crisis.

The studies of Bachetta and Gerlach (1997) regarding the effect of economic crisis on consumption focused on the credit constrains and its effect on the aggregate consumption using data from different countries, reached the conclusion that

when the economic crisis has passed, even though the income of consumers are restored to the level before the crisis, the consumption level tends to lag behind.

A study done in US economy by (Rulon, 2009) showed a change in the pattern of consumption. During the slowdown of the US economy in 2007, some demands were recession resistant (e.g. beer) while others were very procyclical (e.g., wine). The response of consumption to growth and business cycles was done using quarterly National Income and Product Account (NIPA).

Okeke (2008) analysed consumption pattern of low income rural households in Nigeria using questionnaire to elicit information on consumption pattern and food preparation methods of Igbo people in rural Nigerian communities and from 242 households in two different ecological zones. Outcomes showed that these communities still adhered to traditional food habits that are related to socio-economic status, production, distribution, utilization and household size. Starchy staples were the main foods consumed by 100% of respondents, followed by cereals, legumes, fruits and vegetables (60–80%) which were eaten when in season. Occasionally fish or meat was consumed by 40–50% of respondents. Intake of protein-rich foods was limited by purchasing power and availability; carbonated beverages, tea and coffee were rarely consumed as elicited from the questionnaire.

Ibbih and Siyan (2018) determined the consumption patterns among and within individual households in Agyaragu community of Nasarawa and by inference, Nigeria. The study also investigated the extent to which consumption behavior of households supported the predictions of conventional models of consumption. A sample of 500 households was randomly drawn from the community population of 22,750, with a response rate of 97%. The results and findings revealed that individuals do not simply behave according to the baseline models of consumption. Consumption patterns favored non-durable consumption and necessities. Ajefu (2017) analyzed the impact of income shocks on household real consumption expenditure, taking into account the various informal coping strategies adopted by the households and using Nigerian Household Panel Survey data for the 2010/2011 and 2012/2013 respectively. The results suggested that idiosyncratic shocks have effect on household consumption expenditure and the informal insurance strategies play only limited roles in providing the needed insurance to households in the face of shocks. Also, the effect of shocks vary according to households characteristics, which depends on whether the household is headed by male or female and urban or rural dweller.

## **2.2. Theoretical Framework**

There are many economic theories which explain the determinants of household food consumption. The Keynesian Consumption Theory holds that there is a positive relationship between income and the marginal and average propensity to consume (Palley 2010). It explained that, “men are disposed, as a rule and on the average, to increase their consumption as their income increases, but not by as much as the increase in their income” (Keynes 1936, 96-97). Similarly, Friedman’s permanent income hypothesis (PIH) predicted consumption as function of income but with one distinction; the choices made by consumers regarding their consumption patterns are determined not by their current income, but by their longer-term income expectations. Thus for Friedman, transitory or short-term changes in income have little effect on consumer spending behaviour. The theory holds that the individual will consume a constant proportion of his/her permanent income. Notwithstanding the differences, both theories implied that income level is the main determinant of household consumption level, and corroborate Engles Law, which asserted that while there is a positive relationship between income and food consumption, consumption can reach a saturation point. Thus, one should expect food consumption to vary with economic conditions up to a point, after which it should level off. In other words, at the higher end of the income scale, differences in consumption should begin to narrow. The reverse is also true in that, even in a recession, household consumption is not expected to decrease beyond certain (survival) point. (Sheria and Robinson, 2013).

Economic crises mostly have a negative effect on the economy in general. The shortages of credit, in the market can have a negative impact on businesses and the income of families in the economy. Business actors and families have to cope with reduced income in times of economic crisis. Some households begin to consume less and rely on other people in the family in times of crisis to survive the economic crisis (Fiszbein., et al 2003).

## **3. RESEARCH METHODS**

### **3.1. Population and Sample**

The objective of this paper is to examine the impact of income Shocks on consumption patterns in the face of economic downturn in Osun State. Population of Osun State according to 2006 census is 10 million. Osun state is divided into 3 Senatorial districts: Osun East, West and Central. Each of these Senatorial districts has 2 zones each. These zones are Ede, Iwo, Osogbo, Ikirun, Ife, and Ijesa zones. 2

local governments each were selected from each zone make a total of 12 local governments. This was shown in table 1.

Table 1: Zones, Local Governments and Number of Respondents

S/N	Zones	Local Governments	No. Respondents
1	Ede	Ede North, Ede South	200
2	Iwo	Iwo, Ejigbo	200
3	Osogbo	Osogbo, Olorunda	200
4	Ikirun	Odo-Otin, Boriipe	200
5	Ife	Ife Central, Ife North	200
6	Ijesa	Ilesa East, Ilesa West	200
		Total	1200

The population for the study was further divided into strata viz; Artisans, Civil servant, Traders and Pensioners in Osun state, Nigeria. The sampling method used in this study is simple random sampling, which refers to a subset of individuals (a sample) chosen from a larger set (population). The respondents were chosen randomly and entirely by chance, such that each individual has the same probability of being chosen at any stage during the sampling process.

### 3.2. Method of Data Collection

Primary data was utilized for this study through the technique of questionnaire administration to pensioners, civil servant and artisans in Osun state. The self-administered questionnaire method was administered here of which the closed ended question pattern was used. The statistical package for social science (SPSS) was used in the analysis of the data collected in this research as the use of SPSS was suitable for the analysis considering the fact that it was a primary data analysis.

## 4. DATA ANALYSIS AND RESULTS

This chapter describe the analysis of the data followed by the research findings. The data gotten were analyzed to identify, describe and explore the impact of income shocks as results of economic shocks on the consumption pattern of Osun state residents particularly civil servants. The statistical package SPSS version 16.0 was use in running the analysis. Data for the analysis were obtained from standardized questionnaires.

## 4.1. Analysis on Demographic data

Table 1a: Background Information

Questions	Responses	Figures	Percentages	Cumulative Percentages
Gender	Male	583	49.53	49.53
	Female	577	49.03	98.56
	Missing	17	1.44	100
Religion	Christianity	625	53.10	53.10
	Islam	512	43.50	96.6
	Traditional	25	2.13	98.73
	Missing	15	1.27	100
Age Bracket	18-24 years	124	10.54	10.54
	25-40 years	555	47.15	57.69
	41-60 years	434	36.87	94.56
	Above 60 years	52	4.42	98.98
	Missing	12	1.02	100
Highest Educational Attainment	School Cert/O' level	209	17.76	17.76
	OND/NCE/DIPLOMA	345	29.30	47.06
	First Degree/HND	468	39.76	86.82
	Postgraduate	134	11.39	98.21
	Missing	21	1.79	100
Marital Status	Single	216	18.35	18.35
	Married	891	75.70	94.05
	Divorced	25	2.12	97.17
	Separated	8	0.68	96.85
	Widow/Widower	13	1.11	97.96
	Missing	24	2.04	100
	Total	1177	100	
If married? What is your household type?	Monogamy	800	67.97	67.97
	Polygamy	216	18.35	86.32
	Missing	161	13.68	100
How large are your dependents?	1-2	190	16.14	16.14
	3-5	538	45.71	61.85
	6-10	261	22.18	84.03
	Above 10	87	7.39	91.42
	Missing	101	8.58	100



From the sampled respondents, 75.7% were married, 18.35% were single, 2.12% were divorced, 0.68% were separated, and 1.11% were either widows or widowers while 2.04% did not indicate their marital status. From these responses, it can be noted that the opinions expected in this study were more of married persons. Among the respondents sampled, 67.97% have a monogamous type of household while 18.35% have polygamous household type although, 13.68% didn't fill the type of household they run. Further, these respondents indicated that 16.14% of them have 1 to 2 numbers of dependants, 45.71% have 3 to 5 dependents, 22.18% has 6 to 10 and 7.39% of the respondents have above 10 dependents while 8.85% didn't select any number of dependents.

Table 1b: Employment Statuses

Questions	Responses	Figures	Percentage	Cumulative Percentage
Employment	Paid Employed	719	61.09	61.09
	Self Employed	327	27.78	88.87
	Unemployed	63	5.35	94.22
	Underemployed	6	0.51	94.73
	Missing	62	5.27	100
If employed, where do you work?	Public Service	763	64.83	64.83
	Tertiary Institution	75	6.37	71.2
	Private Establishment	204	17.33	88.53
	Missing	135	11.47	100
What is your employment status?	Senior	366	31.10	31.10
	Middle	312	26.51	57.61
	Junior	168	14.27	71.88
	Retired	54	4.59	76.47
	Missing	277	23.53	100

The number of respondents that have paid employment makes the most of the sampled respondents. They made up to 61.09% of the total sampled respondents. 27.78% of the respondents were self-employed while those respondents that were unemployed stood at 5.35% as well as those who are underemployed were just 0.51% but 5.27% of respondents didn't indicate their employment status. The number of respondents that work in the public sector amounted to 64.83%. This showed that most of the respondents were public servants. The percentage of respondents who worked in tertiary institutions amount to 6.37% while 17.33% of the respondents work in private establishments however, 11.47% of the respondents didn't fill the place of work. Most of the respondents were middle and senior level workers as seen in table 1B where, 31.1% are senior level workers, 26.51% were middle level workers while 14,27% were junior level workers and

4.59% were retired workers. However, 23.53% didn't indicate their employment level.

Table 2: Amount of salary earned per month as a Result of the Downturn

	Frequency	Percentage	Valid Percentage	Cummulative Percentage
Below #30,000	63	31.5	44.4	44.4
#30,000- #50,000	45	22.5	31.7	76.1
#50,000-#100,000	33	16.5	23.2	99.3
#100,000 and above	1	.5	.7	100.0
Total	852	71.0	100.0	

From the table above it is observed that 44.4% which happens to be the larger percent of the respondents earn #30,000, 31.7% of the respondents are placed between the salary scale of #30,000-#50,000, the respondents that earn #50,000-#100,000 are few in number of which were 23.2% out of the total respondent and finally the least of the respondents were placed on the salary scale of #100,000 and above of which is 7% of the total respondent. From the analysis above, it can be deduced that majority of the respondents were low income earners whose salary ranges between #30,000 to #50,000. This might be as a result of the level that the respondent were as at the time of appointment.

Figure 1: Effects on Non Payment of Salaries and Pension

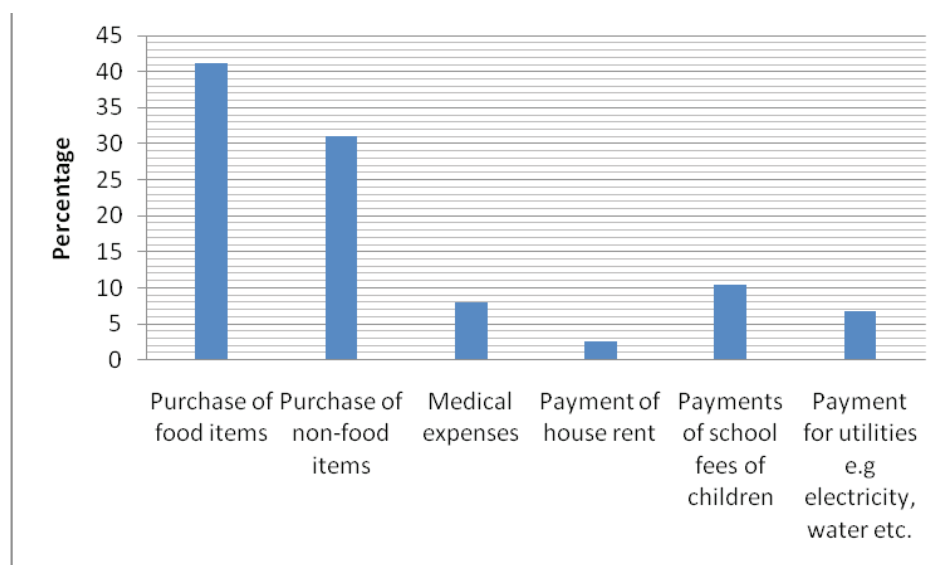


Figure 1 above indicated areas in which the non-payment of salary and pensions affected the respondents of which 41.1% of the respondents were affected by non-payment of salary and pensions in the aspect of purchase of food items, 31.1% of the respondents were affected by purchase of non-food items, the percentage of those that choose medical expenses as the area in which the nonpayment of salary and pension affected them is 7.9% which is equivalent to 15 out of the total respondent, 2.6% happens to be the percentage of those that indicated that inability to pay for house rent was the area in which the nonpayment of salary and pension has affected them, 10.5% of the total respondent showed that the nonpayment of salary and pension has made them unable to pay for their children’s school fees and finally, the payment for utilities such as electricity, water etc. was the area in which the nonpayment of salary and pension affected 6.8% out of the total respondent. From the analysis above, food consumption was the area in which majority of the respondent were affected due to the fact that close to half of the total respondent which is 41.1% indicated that the purchase of food was the area in which the nonpayment of salary and pension has affected them

Table 3: Correlation Analysis Showing Relationships between Irregularity of Salaries and Level of Consumption

		How many months ‘ salaries are outstanding as at today?	Does this income irregularity have any effect on the level of your consumption?
How many months ‘ salaries are outstanding as at today?	Pearson Correlation Sig. (2-tailed) N	1  816	-.370** .000 816
Does this income irregularity have any effect on the level of your consumption?	Pearson Correlation Sig. (2-tailed) N	-.370** .000 816	1  816

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).

his section analyzes the relationship that exist between the irregularity of salaries and consumption level of respondent. The analysis above indicates that correlation between the pattern of consumption and inadequate payment of salary is significant at 0.01 level of confidence using SPSS for Pearson correlation statistical analysis. From the above table the Pearson correlation (r) is 0.370 that indicate a positive relationship between income shocks (irregular payment of workers salary) and the level of consumption of the citizens. The correlation is statistically significant at 0.01 or 1% level of significance. This therefore implies that income shocks (irregular payment of workers salary) will definitely affect the level of consumption of the citizens at large.

**Decision rule:** Accept the alternative hypothesis if the probability value (p-value) is less than the alpha value which is 0.01 or 1% and fail to reject the null if otherwise. From the above table our p value is 0.001 while the alpha value is 0.01 the p-value (0.000) < alpha value (0.01) we therefore accept the alternative hypothesis and conclude that there is relationship between income shocks (irregular payment of workers salary) and the level of consumption of the citizens at large.

**Summary of the Regression Analysis between Predictors and Dependent variable.**

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.380 <sup>a</sup>	.144	.124	.49432

a. Predictors: (Constant), QN15, QN17, QN18  
 b. Dependent Variable: CONSP

The model summary table revealed a correlation co-efficient which is denoted by R = 0.380 however, this indicates a positive linear relationship between the dependent variable (Consumption Patterns) and the independent variables (Outstanding Salaries, Fluctuation in Monthly Salary and Effect of Non Payment of Salaries). It also gives R<sup>2</sup> value = (0.144). Thus, this model is predicting 14.4% of the variance in the level of consumption pattern pooling all factors together simultaneously; meaning that 14.4% of the variance is determined by the predictors captured in this model.

Table 5: Regression Analysis Showing Significance of Predictors on the Dependent variable.

**ANOVA<sup>b</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	5.225	3	1.742	7.128	.000 <sup>a</sup>
Residual	31.033	127	.244		
Total	36.258	130			

a. Predictors: (Constant), QN 15, QN17, QN18  
 b. Dependent Variable: CONSP

The significance value shown in table above is 0.000 that is less than 0.05 thus the model is statistically significance in predicting how good economic downturn has influence consumption pattern. The F – statistics indicated that the overall regression model is highly statistically significant in terms of its goodness of fit since the value of F calculated (value = 7.128) is greater than F critical of (5%) . Therefore, null hypothesis is rejected. The study concludes that there is significant positive relationship between economic downturn and consumption pattern in Osun State, Nigeria.

Table 6: Contribution of Predictors on dependent variable Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.635	.191		8.548	.000
How many months ' salaries are outstanding as at today?	-.087	.037	-.202	-2.340	.021
In what area has the non-payment of salaries and pensions affected you?	.066	.022	.260	2.964	.004
How long have you been experiencing fluctuations in your monthly salary?	-.017	.056	-.026	-.305	.761

Dependent Variable: CONSP

Analysis on independent variables (Qn17, Qn18 and Qn15)

The analysis above indicated that, taking outstanding salary constant at zero, consumption pattern realized was 1.635. The data findings analyzed also showed that a unit increase in outstanding salary results to a -0.202 decrease in consumption pattern and t-value = -2.340 and this indicate that there is a negative relationship between consumption pattern and not delaying workers salary. The contribution is statistically significant to consumption pattern at 5% confidence level. Hence, the null hypothesis is rejected and the study concludes that being independent to workers has negative relationship with consumption pattern.

The analysis above indicated that, holding the effect of nonpayment of salaries and pension constant at zero, consumption pattern realized was 1.635. The data findings analyzed also showed that a unit increase in nonpayment of salaries and pension results to a 0.260 decrease in consumption pattern and t-value = 2.964. This indicate a positive relationship and this might be due to the fact that some people are not affected by the income shocks which might be as a result better coping strategies like loans, transfer earnings and the likes. The analysis is statistically significant to consumption pattern at 5% confidence level. Hence, the null hypothesis is rejected and the study concludes that effect of nonpayment of salaries and pension is positively related to consumption pattern that is contrary to the literature but little explanation has been made above about the contradiction.

From the he analysis above, we can hold fluctuation in monthly salary constant at zero, consumption pattern realized was 1.635. The data findings analyzed also shows that a unit increase in fluctuation in monthly salary results to a -0.026 decrease in consumption pattern which indicate a negative relationship between

fluctuation in monthly salaries and consumption and  $t$ -value = -0.305. The result of the analysis is statistically significant to employee performance at 5% confidence level. Hence, the null hypothesis is rejected and the study concludes that fluctuation in monthly salary of workers has a negative relationship with consumption pattern.

## 5. CONCLUSION AND RECOMMENDATIONS

This research work examined impact of income shocks on the consumption pattern among Osun State residents in the face of economic downturn. Primary survey was conducted; in which questionnaire was administered to about 1200 respondents which were randomly selected from 12 local governments (LGAs) in Osun State. The 12 LGAs were chosen using stratified random sampling from 30 LGAs which were selected based on the 3 Senatorial zones in Osun State. It was found there is significant relationship between income shocks as a result of economic downturn and the consumption pattern of Osun State workforce. The study showed that economic downturn led to reduction in allocation to the State government and hence brought about fluctuations in the payment of workers' salaries and consequently have negative effect on the consumption pattern of the citizens.

Base on the findings of this research work, it can be concluded that there is fluctuation in payment of workers salary and this irregularity was so pathetic that most of Osun State workers are not being paid for more than 7 month and some were placed on half salary, some were placed on 75% and the likes. As a result of this fluctuation, it has an adverse effect on standard of living of Osun State workers that majority of them were affected to the level of food consumption, this fluctuation does not affect them alone but also has a negative effect on the lives of other segments of the residents like market women, artisans and the generality of Osun State residence to the extent that people are striving hard to feed themselves at all cost.

In addition, this research work revealed that there is difference between the level of the respondent's consumption on food and non-food items before and after the irregularity and the difference is to a great extent as affirmed by more than 90% of the total respondents. It was found that the shocks affect level of economic activities in the State, since, it is mostly civil servants State. This research work also made it clear that Osun State residence are mostly affected in the area of food consumption compare to the consumption of non-food item as it was confirmed by majority of the respondent.

To this end, the study recommended that the workforce, both public and private should be encouraged to get themselves involve with other income generating activities to cushion the effects of subsequent income shocks. In addition, policies that would encourage private sector participation in economic activities should be put in place. Finally, government should explore and expand other sources of earnings like factor endowments that are available in Osun state in addition to federal government allocations

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## **DOHODOVNI ŠOKOVI I OBRASCI POTROŠNJE KOD OSUNSKE DRŽAVNE RADNE SNAGE U VRIJEME EKONOMSKOG PADA<sup>2</sup>**

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### **Pregledni rad**

#### **Sažetak**

*U Nigeriji je utjecaj ekonomskog pada bio vidljiv ne samo na utjecaju makroekonomije, već i na dodjeli resursa raznim saveznm državama i posljedično na redovnim isplatama plaća radnoj snazi. U kojoj mjeri utjecaj ekonomskog pada utječe na dohodovne šokove i obrazac potrošnje nije toliko proučavan u literaturi, stoga je cilj ovog rada analizirati dohodovne šokove i obrazac potrošnje u uvjetima ekonomskog pada posebno u državi Osun. Provedeno je primarno istraživanje; u kojem je upitnik upućen na oko 1200 ispitanika koji su nasumično odabrani od 12 lokalnih samouprava u državi Osun. 12 LGA odabrano je stratificiranim slučajnim uzorkovanjem od 30 LGA odabranih na temelju 3 senatorske*

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zone u državi Osun. Utvrđeno je da postoji značajna veza između šokova dohotka kao posljedice ekonomskog pada i obrasca potrošnje radne snage države Osun. Studija je otkrila da jedinično povećanje fluktuacije mjesečne plaće rezultira smanjenjem obrasca potrošnje za  $-0,026$ , što ukazuje na negativnu vezu između promjene mjesečnih plaća i potrošnje i  $t$ -vrijednosti  $= -0,305$ . Rezultat analize statistički je značajan za učinak zaposlenika na razini značajnosti od 5%. Stoga se odbacuje nulta hipoteza i studija zaključuje da je promjena mjesečne plaće radnika negativno povezana s obrascem potrošnje, što zahtijeva bolje strategije suočavanja. U radu se preporučuje da radnu snagu treba potaknuti da se uključi u druge aktivnosti koje donose prihod kako bi ublažile posljedice šokova dohotka.

**Ključne riječi:** dohodovni šok, obrazac potrošnje, pad, Nigerija;

**JEL:** D12, D31, E3, L67