

Economic Recession and Operational Dynamics of Businesses in Molete Market, Ibadan Oyo-State

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Abstract

Economy is one of the basic social institutions that determine the condition of living of people within a given geographical entity. To this extent, studies have examined various aspects of the economy viz-a-viz the good, the bad and the ugly. One of the negative aspects of the economy that has attracted the attention of scholars is economic recession. To advance the frontier of knowledge on the dynamics of economic recession, this study examined the effect of economic recession on operational dynamics of business as experienced by traders in Molete market, Ibadan-Oyo State. To achieve this objective, the survey was adopted as the research design, all traders in Molete market constituted the study population, and two-stage sampling technique was used to select sample for the study. Both questionnaire and interview were utilized as instruments of data collection. Quantitative data were analyzed using descriptive and inferential statistical tools. Frequency count and simple percentage were used as descriptive statistical tools; regression analysis was adopted as the inferential statistical while verbatim quotation method was used to analyse qualitative data collected for the study. Findings of the study revealed that incidence of economic recession has devastating effects on business operational dynamics of the grassroot traders and by implications negatively affected their economic conditions and general livelihood. The study recommends that the Federal ministry of finance should add more to their effort of managing the country out of recession. This could be achieved by floating appropriate economic policies that will mitigate the effects of recession on the people, take the economy out of recession and prevent its further occurrence in the society.

Keywords: Business Flow, Economy, Purchasing Ability, Recession, Traders

JEL Classification: C61, J43, Q12

1. Introduction

Due to the nature of physical reality consisting of positive and negative extremes, experiencing negative economic experiences, otherwise known as economic recession is as old as the emergence of human civilization. For instance, the Biblical and Quranic story of Joseph regarding the incidence of economic recession after a period of progression in Egypt as foreseen in the king's dream is a reflection of the age long incidence of economic recession in human society. Furthermore, in the period (AD 235-284), the Roman Empire came close to collapse as a result of economic depression. Since this time onward nations have continually experienced economic recession in different shapes and sizes and the incidence has always left some negative effects on the people and human economic history generally.

Due to devastating effects of recession experience on people of a society and humanity in general, understanding the dynamics of economic recession has been one of the major interests of economists, political scientists and sociologists over time. For instance, economists have always put vested interest in understanding the economic causes and effects of recession and also devise mechanisms through which recession could be avoided or mechanisms through which it could be managed if it occurred. Traditional economic assumptions conceived of economic recession have been caused by several factors ranging from lack of optimum productivity which could be caused by lots of factors such as ineffective productive environment under-consumption, overproduction, inflation, loss of consumer confidence, etc. (Abberger & Nierhaus, 2008; Heinrich, 2013; Afe & John, 2017).

The world witnessed four global recessions since World War II as follows: 1975, 1982, 1991 and 2009 respectively, all of them lasted for a given period. The last witnessed in 2009 was tagged the strongest global recession human race had ever experienced and was the worst of the four postwar recessions given the number of countries affected, the period it lasted and the decline in real World Gross Domestic Product and per capital income (Liodakis, 2010). African countries are quite homogeneous in terms of the impact of this crisis and how deeply it affects them. Specifically on the financial side, the impact has been so pressing on most African countries. Apparently, Nigeria has been an economically giant neo-colonial state and incidence of recession in the world economy always has consequential effects on Nigeria's economy (Farabiyi, 2016). Specifically, in June 2016, Nigeria's economy was declared to be in recession and since then, there has been lots of hue and cry from all and sundry regarding recession experience from social, economic and political angles. According to Adegbite (2016), the economic recession in Nigeria at present depicts a long-term economic ill in the country manifested into a full-blown recession under the present government. The recession has affected the socio-political structures of the country such as its credit condition, general living standard, imports, production and employment as well as consumption demand of the people. It has resulted into many businesses and traders running into bad debt as they tried to balance between ends and means, resulting to insufficient funds to retain and proceed with their businesses and eventual bankruptcy.

Since the latest declaration of recession in the country, researchers have taken time to write on the causes and effects of it. From the social effects point of view, Adegbite (2016)

observed that economic recession has led to a situation whereby people were no longer capable to cater for their basic family needs thereby resulting into frictions among families, which may lead to long lasting damaged family relationships. It is important to note, at this juncture that, in addition to the little sociological studies that have been conducted on the reality of recent economic recession in Nigeria, very few studies have been directed towards empirical examination of the possible impact of recession on grassroot individuals who are more affected with problems associated with this economic recession. It is in line with this background that this study aimed at empirically examining direct experience of traders regarding incidence of economic recession especially as it affected their business operations using entrepreneurs in Molete Market, Ibadan as the case in point. This effort was necessary not just to cover the gap of insufficient research in the area, but also due to its tendency of advancing coast of sociological knowledge in the area and also because of its tendency of solving social problems relating to recession experience especially among grassroots indigenous people.

2. Literature Review

2.1 Economic Recession

The word economic recession is made up of two different terminologies: economic and recession. Economy is the total sum of products and services, transactions of value between two economic agents in a given geographical space, be it individuals, organizations or states (Adebayo, 1999). Alfred cited in Jhingan (2002) summarily conceived of economy as the ordinary business life of a people. Robbins cited in Karla (2006) sees the term as a science which studies human behaviour as a relationship between ends and scarce means which have alternative uses. Thus, economy could be described as that social institution that takes care of all issues relating to wealth acquisition, wealth distribution and wealth management in a given geographical space. Recession, on the other hand, is used to mean consistent retrogression in the movement of the economy of an individual, a group of people or a political state. According to Abberger & Nierhaus (2008), recession is a period of two quarters of negative GDP growth. Furthermore, they noted that recession is characterized by a significant decline in economic activities spread across the country, lasting more than few months, normally visible in real Gross Domestic Product (GDP) growth, real personal income, employment, industrial production, and wholesale-retail sales.

Economic recession can also be defined as a negative real Gross Domestic Product growth rate lasting for more than two consecutive quarters (first and second quarters) (Noko, 2016). Specifically, recession is marked by reduction in the following indicators: real GDP, income, employment, manufacturing and retail sales. Noko (2016) argued that recession is determined not only by negative real GDP growth rate alone, rather factors such as real personal income, employment, industrial production and characteristics of wholesale and retail sales are also major indicators of an impending recession even before the quarterly real GDP is out.

Claessens, Ayhan, & Marco (2008) argued that recession is a contraction in business cycle which is marked by a decline in certain macroeconomic indicators such as the GDP. Thus, GDP is taken as one major indicator used by economists to determine whether an economy is recessed or not. Although numerous definitions have been tendered for the term recession

or economic recession, Claessens, Ayhan & Marco (2008) opine that the general connotation of the term is that it refers to a period of decline in economic activity. In technical terms, an economy is deemed to be recessed if it grows by 2% in one quarter and then contracts by 0.5% in each of the next two quarters. Recession as an economic cankerworm has common characteristics all over the world; these characteristics include:

- i. They typically last about a year and with a resultant significant output cost. In particular, an economy in recession is usually associated with a 2% decline in GDP while a severe case of recession records close to 5% output cost.
- ii. Though the fall in consumption is often small, the industrial production and investment record much larger declines than that in the GDP.
- iii. They typically overlap with drops in international trade as exports and, especially, imports fall sharply during periods of slowdown.
- iv. There is a rise in unemployment rate with a slight fall in inflation rate due to drop in overall demand for goods and services. Along with the erosion of house and equity values, recessions tend to be associated with turmoil in financial market (Claessens, Ayhan & Marco (2008).

From the discussion thus far, economic recession could be described as a period of negative economic flow or trend in which an economic system experience a long or short decline or retrogression which invariably have some severe socio-economic consequences on the people wellbeing generally.

2.2 Types of Recession Based on shapes and magnitudes

Recession as an economic crisis can be categorized into two ways: shapes and magnitudes. Based on shape, the most common typologies are: V-shaped, U-shaped, W-shaped, and L-shaped recessions.

V-shaped: a V-shaped recession is marked by a sharp but brief period of economic downturn with a clearly defined trough, followed by a strong recovery. V-shapes are the normal shape for recession because recessions and their recoveries have a tendency to trace out a V shape.

U-shaped: the U-shaped recession is longer than the V-shaped recession, and is less clearly defined. In this case, the GDP may shrink for several quarters after which a slow return to the normal growth trend is observed. In the words of Simon Johnson, former Chief Economist for the International Monetary Fund, a U-shaped recession is like a bathtub: "You go in. You stay in. The sides are slippery. You know, maybe there's some bumpy stuff in the bottom, but you don't come out of the bathtub for a long time.

W-shaped: In a W-shaped recession, (also known as a double-dip recession), the economy experiences a doubled case of recession within a relatively short interval. In this case, the economy falls into recession, struggles and recovers within a short period and gains some of growth, then falls back into recession before finally recovering. This gives a "down up down up" pattern resembling the letter W.

L- Shaped: The L-shaped recession or depression usually portrays a depressed economy in a severe state of recession which does not return to trend line growth for many years, if ever. The steep drop is followed by a flat line makes the shape of an L. This is the most severe of

the different shapes of recession. Alternative term for long periods of underperformance is depression.

2.3 Types of Recession based on magnitude

Based on magnitude, Ranchin (2009) identified the following four categories of recession:

Minor Recession: This is the first class of recession and is usually the mildest. Recessions of this nature usually lasts for at most three quarters and the mean quarterly GDP decline is up to about 1.5%. The economy recovers swiftly from this kind of recession. Macroeconomic indicators return to their pre-recession levels within one or two years.

Major Recession: This is the second class of recession in which major economic events take place on a global scale. The events last between 2 to 4 quarters with mean quarterly GDP growth rates decline between 1% and 3%. When this kind of recessions happen, governments and central banks are drafted to fight its economic consequences through increased investment and export supports, coupled with a decreased government spending on social services.

Severe Recession: The third class of recession, severe recession, constitutes a large-scale economic downturn which has not been seen in many decades. Its severity is expressed in its duration and magnitude of GDP decline. Severe recessions are typically known to last between 1-2 years with a mean quarterly GDP growth rates decline from 3% to 5%. This type of recession is associated with a drastic fall in living standards of majority of the population (Rachlin, 2009).

Ultra Recession: This is recession that lasts for several years with a GDP growth rates decline which may be as high as between 20-25 % annually. During this kind of recession, the GDP falls by 30 % or more when put side by side with the pre-recession GDP levels. Furthermore, recovery from this type of recession may last a decade or longer. Examples of this type of recession are the Great Depression, about 6 years in Russia during 1990s and about 9 years in Ukraine during 1990s.

However, this classification of recession has unraveled the best sociological understanding about recession and its durability. Based on the shapes of recession, V shape falls on the same line with minor recession which is based on magnitude; U shape recession and Major recession fall on the same line and Nigeria experience of recession has gone far than these two aforementioned recessions. It seems Nigeria recession falls on the L shape of recession and Ultra magnitude of recession because Nigeria has been declared to be in recession since the end of 2015 to this moment (2018). This means Nigeria recession has reached highest duration of recession. Our major area of concentration as far as this study is concerned is not really the type of recession, although it has given a clear empirical understanding of recession but this study is geared towards examining the possible sociological effects of economic recession on the business people who represent grassroot people in the society.

2.4 Effects of Economic Recession

When an economy slides into recession, certain unfavorable consequences become manifests which affect all aspects of national life. This is further worsened when a nation is not able to work out necessary modalities for its exit. In addition, if local production of consumer goods fails to meet up with demands of consumers, the recession bites harder. In

this sense, some of the effects have not been friendly to public and private sectors, organizations and traders who are the grassroot of the society. These effects are identified as follows:

Income and Businesses: the commencement of recession in an economy is mostly accompanied by a fall in the income of the people. As a result, their purchasing power is affected and this affects their demand for goods and services. In response to this, firms are forced to cut down production and manpower in order to avoid huge losses. Thus, unemployment prevails due to massive layoffs; there would be sharp decline in production and purchase of new equipment. Several other aspects of the economy such as research and development would be affected. In some cases, business activities fall and eventually fold up (World Economic Outlook, 2009; International Monetary Fund, 2009). However, in term of income especially in Nigeria, recession is marked by poor money circulation resulting in low earnings by households. Consequently, their eco-social well-being is negatively affected leading low income earners to scout for alternative sources of income to support their families (Noko, 2016). Afe & John (2017) maintained that one major impact of economic recession on Nigerian economy is withdrawal of commercial banks and businesses from investing in the Nigeria stock market and other promising business ventures.

Currency Devaluation: Another negative effect of economic recession is drop in currency value and eventual drop in purchasing ability of the people. Although, devaluation is sometimes resorted to in order to encourage local production, it sometimes occur naturally as a result of imbalance between import and export ratio of a country. Thus, currency devaluation usually serves to boost the aggregate demand of goods and services through local productions for export.

Financial Market: One of the major components of any modern economy is financial market; this is because economic crises are always financial oriented. As such, one of the key areas usually affected by economic recession is the financial market. With financial and economic crises, there has been withdrawal of capital from the financial market, apart from withdrawal of capital, would be investors would be reluctant to invest as a result of weakness in the economy. Furthermore, incidence of recession often lead to many stock holders be struggling to sell their shares as a result of losing confidence in the financial market or as a result of trying to cope with recession experience.

Unemployment and Poverty: One of the active and actual consequences of economic recession is high rate of unemployment. Even before the advent of economic recession, Nigeria is besieged with hydra headed problem of unemployment but the rate and effects increased drastically with the advent of recession. This is because thousands of graduates who are churned out from tertiary institutions yearly hardly find any job placement in addition to the already existing jobless ones seeking employment. The statistics by the Federal Ministry of Labour and Productivity shows that at least 41% of Nigerian graduates are without employment after the mandatory National Youth Service Corps (NYSC). Similarly, the National Bureau of Statistics puts it that over 50% of youths in Nigeria are jobless (NBS, 2016); while the World Bank puts the figure at 56%. This fact is alarming given the country's estimated population of about 167 million and 60 million are without gainful employment. Closely related to the problem of unemployment is the problem of

poverty. Indeed poverty is in high rate in Nigeria. Chioma (2016) opines that the fusion of poverty with high level of economic and social aspirations set the track for kick off of criminal activities particularly in areas of official corruption, ritual killings, robbery and dealing in illegal goods and services.

Poor market flow and decreasing purchasing ability: The consequences of recession touch on both formal and informal sectors of the economy. Informal market institutions and small-scale traders are responsible for feeding Nigerian millions of households in the country, but recently the issue of economic recession has led to lack of savings and capital and this makes it difficult for women and men in the informal sector to expand their businesses and undertake more productive activities. Consequently, the productive bases of women who are predominant in the informal sector and their contributions have reduced due to inaccessibility to credit as a result of recession and this has really affected their market operations (Ademu, 2016).

Basic necessities: During recession of an economy, hardship is known to take over every aspect of people's livelihood. Most families feel the bite of the unfavorable economic climate which hits poorer families more severely. Some Nigerian residents in the South-East zone of the country have said that the current economic recession has impacted negatively on their general well-being. In a random survey by the News Agency of Nigeria (NAN), the respondents said it was now difficult to enjoy three square meals a day. According to them, every aspect of their lives was affected, especially meeting their children's requirements at school (News Agency of Nigeria, [NAN] 2016). Recession can also be disastrous as it affects source of income, ability to meet basic daily needs, family frictions. For instance, some families had already cancelled holidays abroad, sold houses and changed children's schools to public schools as a way to cope with recession. Recession draws thick line between needs and wants and priorities accordingly (Ademu, 2016).

3. Methodology

The specific methodology steps followed in the study are discussed further.

3.1 Research Design

The research design for this study is the survey method. Survey was adopted as the research design as a result of the fact that the research variables and study respondents are social in nature.

3.2 Study Population

This research work was carried out among business people in Molete Market in Ibadan. 1500 business men and women that traded in the market constituted the population for the study. The projective population of active market men and women that occupied the market was given to the researchers by Chief Mrs Olowoake Ajagbe the market head (iyaloja) of Molete Market.

3.3 Sample Size and Sampling Techniques

Based on the given population of the study, 10% of the entire study population (150) respondents were chosen as the study sample for the quantitative instrument while 10% of 150 (15) respondents were chosen for interview. The study adopted both cluster and simple random sampling techniques to select sample for quantitative data while purposive sampling

was utilized to select respondents for the interview sessions. *Research Instrument*: both quantitative and qualitative research design techniques were used in eliciting information from the respondents, thus questionnaire and interview were used for data collection. The questionnaire contained relevant sections in accordance with the study objectives while the interview guide contained qualitative questions regarding the active variables of the study.

3.4 Independent and Dependent Variables

The independent variable in this study is economic recession while the dependent variables are market flow, purchasing ability, business continuity and affordability of basic necessities of life.

3.5 Methods of data analysis

Data analysis was done in this study in accordance with the objectives of the study and the nature of data collected for analysis. To this extent, quantitative data were analysed using both descriptive and inferential statistical tools. Thus, frequency count and percentage were used to achieve objectives of the study that are descriptive in nature. Furthermore, regression was utilized as the inferential statistical tool to achieve the main objective of the study. The qualitative data were analysed using verbatim quotations of the interview responses. SPSS 21.0 was adopted as the statistical tool to run the quantitative data collected for the study.

4. Data presentation and analysis

This sub-section is used to present and analyse the primary data collected for the study. The data were presented and analysed in line with the dependent and independent variables of the study. Data presented in Table 4.1 was derived from section B of the questionnaire that deals with issues regarding economic recession experience of the respondents, while the data presented in Table 4.2 dwelled on the analysis of measurable variables on the effects of economic recession on business operations of traders in Molete Market, Ibadan.

Table 4.1: Respondents' conception regarding current economic recession

Items	Frequency	Percentage
1	<i>Severity of the Economic Recession</i>	
	More Severe	47 31.3%
	Much Severe	73 48.7%
	Most Severe	30 20.0%
	Total	150 100.0
2	<i>Effect of recession</i>	
	High	139 92.7%
	Low	6 4.0%
	Indifferent	5 3.3%
	Total	150 100.0
3	<i>Year</i>	
	Last Year	55 36.7%
	This Year	57 38.0%
	Indifferent	38 25.3%
	Total	150 100.0

Source: Researcher's fieldwork, 2018

Item 1 on Table 4.1 depicted that of 150 respondents, 47 (31.3%) responded that the current economic recession was more severe, 73 (48.7%) of them responded that current state of economic recession was much severe, while 30 (20%) of the respondents responded that the current economic recession was most severe. By implication, all the respondents had felt the severity of the economic recession in one way or the other. This position is verified by interview response of one of the traders who responded that:

“The economic recession really affected me, I still come around to my place of market everyday it has gotten to a stage that I won’t be able to open my shop , I still sell anytime I come around but not the way I used to (sic) A 39 year old female Fruits’ seller at Molete Market”

Item 2 on the Table shows that 139 (92.7%) responded that, the current economic recession highly affected their business operation, 6 (4%) of the respondents responded that the current economic recession did not really affect their businesses while just 5 (3.3%) of them were indifferent about their decision. This is supportive to the observations made in the first item on Table 4.1, the distribution of the responses connotes that incidence of economic recession has affected business of the traders at Molete market, Ibadan. This result can be verified by responses of some of the traders interviewed:

The economic recession has struck my business, before the economic recession it was trailer that comes around to deliver my goods but now it is a pick up vehicle that comes around to deliver my goods. A 44 years old yam seller at Molete Market

Another interviewee responded thus:

Before now, I normally buy in ‘apo’ (sack) but now; it is four quarter of the sack I buy because one thing about fruits is that, it can easily get rotened. A 39 years old Fruits seller at Molete Market

On the comparative description of recession experiences over the years, item 3 on the table revealed that 55 (36.7%) of the respondents said that, the previous year economic recession was more severe as compared to current year, 57 (38%) responded that this year economic recession is more severe, while 38 (25.3%) of the responded were indifferent about their view on which year economic recession was more severe.

Item one Table 4.2 depicted that 143 (95.3%) out of the sampled traders at Molete market responded that the recession had negative effect on their market flow, 3 (2%) of them disagreed that the recession had no effect on their market flow, 4 (2.7%) of them were inconclusive. With this report, it can be said that the economic recession had negative effect on the level of their daily sales.

Table 4.2: Measurable variable on the Effects of Economic Recession on business

Items	Frequency	Percentage
1		
Market flow		
Yes	143	95.3%
No	3	2.0%
Indifferent	4	2.7%
Total	150	100.0

Items	Frequency	Percentage
2	<i>Business continuity</i>	
	Yes	98.7%
	No	0.7%
	Indifferent	0.7%
	Total	100.0
3	<i>Basic need</i>	
	Yes	98.0%
	No	1.3%
	Indifferent	0.7%
	Total	100.0

Source: Researchers' fieldwork, 2018

To substantiate the negative effects of recession on market flow (daily sales) of the sampled business men and women in the market, responses of some interviewed respondents were quoted below:

This recession affect my sales, the money I normally used to buy carton of fish, I use the double of this money now to get the half of carton which in turn affects the sales A business woman (fish seller) in Molete Market.

To further measure the effects of economic recession on business operations of traders, item 2 of Table 2 shows that, 148 (98.7%) respondents held the view that incidence of economic recession has negative effect on business continuity, only just 1 (0.7%) held an opposite view and same number had an indifferent view on the question relating to business continuity. This revealed that majority of the traders' business continuity were severely affected by the current economic recession. This was further buttressed by the comments of traders, one of which was quoted below:

This recession affects the continuity of my business because before the recession comes around to stay, I do go to market everyday to buy palm oil in kegs but now hardly go to market every three to four days because even a gallon of keg now takes two days before I sell it out and this makes me not to be really motivated to come around to shop or even send my children to hawk, A 42-year-old business woman (palm oil seller) in Molete Market, Ibadan

Item 3 on Table 4.2 also revealed that 147 (98%) respondents maintained that the economic recession has effect on their ability to secure basic needs, 2 (1.3%) of the respondents held dissimilar view while just 1 (0.7%) were inconclusive. This implied that majority of the respondents reported that the current economic recession really affected their ability to secure their basic needs. The interview responses buttressed this further:

This recession has affected the provision for the family in general especially in terms of what to eat but I pray it does not take our lives away. A 39-years old trader (fruits' seller) in Molete Market, Ibadan

What could be inferred from the responses analyzed in Table 4.2 is that economic recession has serious consequences on business operations and general livelihood of the sampled

traders in Molete market. However, to ascertain the observations made from the descriptive analysis of the responses, effort was further made to subject the research assumption to further testing. This was achieved through testing the hypotheses that were raised for the study.

4.1 Testing of Hypotheses

In testing the hypotheses for this study, from each hypothesis an independent variable was tested against one dependent variable, thus, simple linear regression analysis was used and the major focus was to ascertain the effect of the independent variables on the dependent variable. Thus, in general form, the hypotheses tested in this research work include the following:

H0₁: Economic recession has no significant effects on market flow or sales of traders in molete market, Ibadan.

H0₂: Economic recession has no significant effects on basic necessities of traders in molete market, Ibadan.

H0₃: Economic recession has no significant effect on business continuity of traders in molete market, Ibadan.

Hypothesis one: Economic recession has no significant effects on market flow (daily sales) of traders in Molete market, Ibadan

In this section, the hypothesis tested would consider one independent variable and one dependent variable. The independent variable to be considered in this respect is *Traders' conception about current economic recession* and the dependent variable is *market flow or sales of traders*. Table 4.3 presents the statistical result of the hypotheses tested.

Table 4.3: Summary of Simple Regression Analysis Test of current economic recession on the effects on market flow (daily sales) of traders

Variabes	Co-efficient	Standard Error	t-statistics	P-value
Constant	1.017	0.081	12.495	0.000
Market Flow	- 0.030	0.040	3.206	0.460

R Square: 0.401 No. of Observation: 150
Adjusted R Square: 0.003 R: 0.061 F-statistics: 5.493

Source: Authors Computation

4.2 Interpretation and findings

Judging from the table 3, it is revealed that the current economic recession (independent), have a negative relationship with market flow or sales of traders (dependent). In other words, market flow or sales of traders is negative influenced by the current economic recession. By implication, the result shows that current economic recession had effect on market flow of traders but the effect was negative, this means that the higher the rate of economic recession, the lower the market flow or sales of traders. This is reflected in the co-efficient of the regression results. Figure 1.017 represents the intercept which implies that whether there is economic recession or not, there will be an existence of 1.017 market flow or sales of traders in the study setting. Exclusively, current economic recession (-0.030), represents the magnitude of its relation with market flow or sales of traders. Also, from the

results of this regression analysis, it is revealed that the computed standard errors of the regression model (0.081) for intercept, while B(0.040), is for the slope. From the standard errors, it is obvious that B (0.040) which is for the economic recession is greater than half of its numerical value of the parameter estimate.

Thus, the standard error of the current economic recession as an independent variable shows there is a positive relationship between it and market flow or sales of traders (dependent variable). In other words, the null hypothesis should be rejected because the test is statistically significant. The empirical value of t-test for the intercept is (12.495), while the slope is 3.206 with its theoretical value at 0.05 level of significance as 1.480. Since the empirical value of the current economic recession B(3.206) is greater than the critical value (1.960), therefore, we therefore reject the null hypothesis and accept the alternative hypothesis, thus we should conclude that current economic recession have a significant effects on the market flow or sales of traders. For R-square figure (0.401) shows that about 40 percent of the total variation of the dependent variable is explained by the independent variables (current economic recession). Above all, the computed empirical value of F-test is 5.493 while its theoretical value at 0.05 level of significant is 3.90. Since the computed empirical value is greater than its theoretical value. It is concluded that the F-test is statistically significant. Therefore, the whole regression is statistically significant.

This finding was verified by the interview response as presented below:

Ah! In fact, this recession of a thing really affects us more than ever. I am a yam seller, a yam seller of a very large scale. Prior to this recession period, we use to load in yam in trucks, but now due to the hike in prices of everything, such as the cost from the farmers, the transport fees etc. we now load in yam in small basket sizes. By this, really affects our sales and returns. A 44-year-old market trader (woman) at Molete market, Ibadan

This respondent complained a lot about how the current economic recession and its attendance effects really affected their market flows and in turns their returns.

From this comment, one can deduce that indeed, there is significant relationship between the current economic recession and market flow or sales of traders in Molete market, Ibadan. The current economic recession really affected the costs at market. This comment can be supported by the position of Anikwe (2016), who maintained that the prices of commodities had changed so rapidly that it was difficult to replenish market, She further maintained that by the time one returned to the market to buy new stock, the price would have gone higher than the money one had. This always results to deficit and market would always be affected.

Hypothesis two: Economic recession has no significant effect on business continuity of traders in Molete market, Ibadan.

In this section, the hypothesis tested considered one independent variable and one dependent variable. The independent variable considered in this respect was *current economic recession* and the dependent variable was *business continuity of traders*. Table 4 presents the statistical result of the hypotheses tested.

Table 4.4: Summary of Simple Regression Analysis Test of Significance effect of current economic recession on the business continuity of traders

Variables	Co-efficient	Standard Error	t-statistics	P-value
Constant	0.986	0.042	23.271	0.000
Business continuity of the traders	-0.018	0.021	8.490	0.397

-R Square: 0.502 No. of Observation: 150
Adjusted R Square: -0.002 R: 0.070
F-statistics: 7.201

Source: Authors Computation

4.3 Interpretation and findings

Judging from the results in Table 4.4, it is revealed that the current economic recession (independent) has a negative relationship with business continuity of traders (dependent). In other words, business continuity of traders is negative influenced by the current economic recession. By, implication, the result shows that current economic recession has effect on business continuity of traders but the effect was inverse. This means that the higher the rate of economic recession, the higher the business continuity of traders is being shortened. This could further be seen in the co-efficient of the regression results. Figure 0.986 represents the intercept which implies that whether there is economic recession or not, there will be an existence of 0.986 business continuity of traders in the study setting. Exclusively, current economic recession (-0.018) represents the magnitude of its relation with business continuity of traders. Also, from the results of this regression analysis, it is revealed that the computed standard errors of the regression model (0.042) for intercept, while B (0.021) is for the slope.

Thus, the standard error of the current economic recession as an independent variable shows there is a positive relationship between it and business continuity of traders (dependent variable). In other words, the null hypothesis should be rejected because the test is statistically significant. The empirical value of t-test for the intercept is (23.271), while the slope is 8.490 with its theoretical value at 0.05 level of significance as 1.480. Since the empirical value of the Current Economic Recession B (8.490) is greater than the critical value (1.960), therefore, we therefore reject the null hypothesis and accept the alternative hypothesis, thus we should conclude that current economic recession has a significant relationship with business continuity of traders. For R-square figure (0.502) shows that about 50 percent of the total variation of the dependent variable is explained by the independent variables (current economic recession). Hence it shows the moderately fit of the regression model. Above all, the computed empirical value of F-test is 7.201 while its theoretical value at 0.05 level of significant is 3.90. Since the computed empirical value is greater than its theoretical value. It is concluded that the F-test is statistically significant. Therefore, the whole regression is statistically significant

This finding can be verified in the words of a trader:

My products for instance are perishable, due to this recession now we buy them in small quantity so as to avoid the lots of them being destroyed since market flow is now really low.

Yet this does not help sometimes so that I have to halt this business for other business till things get better. A 42-year-old market trader at Molete market, Ibadan

Another interviewee identified also spoke a on the continuity of their market as being affected by the current economic recession.

This economic recession has really given us recess. Very fewer customers we get. Now, usually we come to market almost 4 days in a week. So, the continuity of this business has really been shortened by this current recession. A40-year-old trader at Molete market, Ibadan

Both respondents emphasized that as a result of the economic recession then has shortened their business continuity. They pointed out that most of the days of the week they went off because the business flow was really in downturn those days of economic recession.

Hypothesis three: Economic recession has no significant effects on ability to secure basic need

The independent variable to be considered to test this hypothesis is *current economic recession* and the dependent variable is ability of traders to secure basic necessities. Table 5 presents the statistical result of the hypotheses tested.

Table 4.5: Summary of Simple Regression Analysis Test of Significance Effect of Current Economic Recession on Ability of Traders to Secure Basic Necessities

Variables	Co-efficient	Standard Error	t-statistics	P-value
Constant	1.023	0.066	15.608	0.000
Affordability of basic necessities	- 0.090	0.033	2.780	0.781

R Square: 0.101 No. of Observation: 150
Adjusted R Square: -0.006 R: 0.023 F-statistics: 7.820

Source: Authors Computation

4.4 Interpretation and findings

Judging from the table 5, it is revealed that the current economic recession (independent) has a negative relationship with basic necessities of the traders (dependent). In other words, basic necessities of the traders were negatively influenced by the current economic recession. By implication, the result shows that current economic recession has effect on business continuity of traders but the effect is negative (inverse), this implies that the higher the rate of economic recession, the lower the lower the rate at which the basic necessities of traders is achieved. This could further be seen in the co-efficient of the regression results. Figure 1.023 represents the intercept which implies that whether there is economic recession or not, there will be an existence of 1.023 market flow or sales of traders in the study setting.

Exclusively, current economic recession (- 0.090), represents the magnitude of its relation basic necessities of traders. Also, from the results of this regression analysis, it is revealed that the computed standard errors of the regression model (0.066) for intercept, while B(0.033), is for the slope. Thus, the standard error of the current economic recession as an independent variable shows there is a positive relationship between it and basic necessities

of traders (dependent variable). In other words, the null hypothesis should be rejected because the test is statistically significant. The empirical value of t-test for the intercept is (15.608), while the slope is 2.780 with its theoretical value at 0.05 level of significance as 1.480. Since the empirical value of the Current Economic Recession B (2.780) is greater than the critical value (1.960), therefore, we therefore reject the null hypothesis and accept the alternative hypothesis, thus we should conclude that current economic recession has a significant relationship with basic necessities of traders.

For R-square figure (0.101) shows that about 10 percent of the total variation of the dependent variable is explained by the independent variables (current economic recession). Hence it shows the weakly fit of the regression model. Above all, the computed empirical value of F-test is 7.820 while its theoretical value at 0.05 level of significant is 3.90. Since the computed empirical value is greater than its theoretical value. It is concluded that the F-test is statistically significant. Therefore, the whole regression is statistically significant. Comments retrieved from the interview session corroborated this further:

Though this business is good, it is daily business, the income is daily but these days of economic recession has really affect what I have to buy, to consume, to eat and for my family. Maybe it is because of the workers' salary is no more regular or is because of this election but what I know for sure is that this recession has hands in it. I have to measure carefully now what I have to buy now. My children on a normal day would have eaten a normal food now, but as you too can see since morning, they have just eaten eat garri. A 39-year-old business woman (fruit seller) in Molete Market, Ibadan

This respondent highlighted that the effects of the recession on the market flow and sales daily has also greatly affect the way she lavishes money on what she has to buy every day for her basic needs before, but now, she has to be very careful. Another interviewee identified also spoke a lot on the effect of the recession on their basic needs.

Yes, the recession has indeed reset especially our daily menu, now we have to measure what we buy, in fact when my children ask for any school fee money, I used to tell them that if the school will not allow them to stay, they should come to my shop so that we can more money together so as to help our needs to be met. A 42-year-old business woman (vegetable seller) in Molete Market, Ibadan.

This statements from the interviewees simply affirmed that the current economic recession has a significant relationship on basic necessities of traders, however an inverse relationship between the two variables which implies that the current economic recession is at rise and as such daily basic necessity of the has been difficult to achieve. Taiwo (2016) advocated that recession draws thick line between needs and wants and priorities accordingly because recession period as income had shrunk, the needs like shelter, health care, feeding clothing and schooling will be treated as priority over any other wants.

5. Summary, Conclusion and Recommendations

This study was conducted to empirically examine the dimensions of effects of economic recession on business operations of traders in Molete market, Ibadan-Nigeria. The findings emanating from the study indicated that economic recession has negative implications on the market flow (daily sales output), business continuity and purchasing ability of the

respondents. Based on these findings, the study concluded that economic recession has devastating effect on business operations of traders and by extension their general livelihood and wellbeing. Thus, explanations on the current business operational status and general wellbeing of the people could be traced to the incidence of economic recession. Based on the above, the following recommendations are offered for relevant stakeholders.

From earlier observations and also from the empirical findings of this study, it could be established that recession is real and consequential. Thus, the study recommends that the ministry of Finance at states and federal level in the country should add more to their effort of controlling and taking the country out of recession. This could be achieved by the affected ministries floating appropriate economic policies that will mitigate the effects of recession on the people, take the economy out of recession and prevent further occurrence of economic recession in our society. This feat could be specifically achieved by ministries such as Federal Ministry of Finance; Federal Ministry of Budget and National Planning; and Federal Ministry of Commerce that are governmental bodies in charge of formulation and execution of strategic development plans, guidelines and policies which shape the nature of domestic and foreign trade, investments and international economic cooperation. In addition, these governmental bodies are required by law to formulate policies on taxation, tariffs, fiscal management and preparation and management of annual budget. Other duties such as preparation of annual accounts for ministries, departments and agencies, managing federal debt and regulating the market flow should all be given proper attention needed to achieve efficiency in such areas. Policy proposals on domestic trade should be worked out in order to overhaul the entire economy. This would foster profitable partnerships and develop local markets, promote restructuring of the commercial distribution sectors and improvement of modern distribution modalities. More so, policies should be reviewed timely and new ones hatched for assisting the market flow to retain its balance should there be any case of imbalance such as the economic recession.

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