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SOCIAL AND FINANCIAL CAPITAL OF CRAFTSMEN IN THE CONSTRUCTION INDUSTRY

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ABSTRACT

The construction industry is one of the largest employers of labour with the ability to generate jobs for local people resulting in a multiplier effect on the national and local economy. However, intense competition from migrant craftsmen has reduced the volume of work available to indigenous craftsmen which negatively affects their income. Social capital has been found to provide a good platform for enhancing the human capital of households, thereby improving their financial status. This study assessed the social and financial capital of 50 construction craftsmen in Lagos, Nigeria. Cross-sectional survey research design with the use of structured questionnaire was used to obtain information from the respondents based on a purposive sampling technique. The study indicated that social capital of the craftsmen surveyed was poor. Majority of the craftsmen did not belong to any crafts association. Lack of trust was found to be the most significant factor discouraging craftsmen from joining crafts association. From the study, the average daily wage of the craftsmen was between $6 and $15 while average savings was between $150 and $300. Leaders of crafts associations should be selfless, empathic and transparent. This will encourage more craftsmen to join crafts associations so as to benefit from skills development and more job opportunities.

Keywords: construction industry, craftsmen, financial capital, social capital, livelihood

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1. INTRODUCTION

1.1. Background to the Study

Many indigenous craftsmen are facing stiff competition as a result of preference for migrant craftsmen, a situation that has brought about the shrinking of their livelihoods and an inability to meet their basic needs. In a survey of the Nigerian construction industry, 80% of construction managers experienced shortage of skilled indigenous craftsmen (Oseghale, Abiola-Falemu, and Oseghale, 2015). This shortage has necessitated the use of migrant craftsmen who have been found to be more competent than their indigenous counterparts (Odusami and Ene, 2011; Oluwale, Jegede and Olamade, 2013).

Even though the use of migrant workers is a global phenomenon (Mbazor and Okoh, 2014) that provides a preferred option for cheap labour, it threatens the livelihood of indigenes (Nissen, 2007). For instance, Afolabi et al., (2016) noted the dwindling income of indigenous craftsmen as a result of stiff competition from migrants. Generally, indigenous craftsmen in Nigerian have been described as dissatisfied (Odusami and Ene, 2011) because many of them are unable to meet their basic needs and are mainly concerned about increasing how much they earn (Lawal and Tunji-Olayeni, 2011).

Livelihood outcome can be improved upon by enhancing human capital. Human capital includes the skills, knowledge, ability to work and the good health required in the pursuit of different livelihood strategies (Bennet, 2010; Osabuohien and Efobi, 2014). Improvement in human capital of indigenous craftsmen will require that they are both willing and able to improve their skills. Therefore, it is logical to identify ways of improving human capital. Social capital has been found to hold potentials for improving human capital (Ellis, 2000; Kirori, 2013). It can provide a good platform for enhancing human capital.

Social capital is the process for accessing various forms of resources and support through networks of social relations (Kirori, 2015). Forms of social capital include kinship ties, associations, membership organizations and peer group networks. Individuals and households can fall back on social capital in times of vulnerabilities. Social capital enables households to respond to challenges of everyday life in order to improve livelihood outcome (Rose, 1997). Moreover, social capital is a major determinant of socio-economic progress (Grootaert and Bastelaer, 2002b). Social capital increases household incomes (Narayan and Pritchett, 1999) and also improves access to services such as credit (Grootaert, 2001) and water (Krishna and Upholf, 1999). Households can rely on their social capital to facilitate the improvement of their human capital. This can be achieved by social actor led initiatives on enlightenment and provision of access to training. On the other hand, increased financial capital comes by increasing human capital which can be achieved through social networks. The study assessed the social capital (with focus on crafts association only) and financial capital of construction craftsmen.

2. METHODOLOGY

The study adopted a cross sectional survey research design to elicit information from craftsmen based in Lagos, Nigeria. Fifty copies of the questionnaire were distributed on a purposive sampling basis. However, 34 copies of the questionnaires were returned, correctly filed and found suitable for analysis. Descriptive statistics was used in analyzing the data.

3. RESULTS

3.1. Social Capital

3.1.1. Membership of Crafts Association

Majority of the craftsmen do not belong to trade association. Out of the 34 craftsmen studied, only 9 belonged to trade associations while 25 do not belong to any trade association (Table 1).

Table 1 Membership of Trade Association

Trade	Yes	No	Total
Bricklaying	2	8	10
Carpentry	3	6	9
Plumbing	0	2	2
Welding	0	1	1
Electrical Installation	1	3	4
Iron fixing	3	5	8
Total	9	25	34

3.1.2. Factors discouraging tradesmen from joining Crafts Association

Table 2 depicts the factors discouraging tradesmen from joining crafts association. The three most significant factors discouraging tradesmen from joining crafts association are lack of trust in leadership, difficulty in accessing financial aid and lack of empathy for members' needs.

Table 2 Factors discouraging tradesmen from joining Crafts Association

Factors	*MIS	Rank
Lack of trust in leadership	0.952	1
Difficulty in accessing financial aid	0.912	2
Lack of empathy for members need	0.824	3
Cost of joining the association	0.658	6
No defined mission	0.432	4
Too formal	0.364	5

*MIS-mean item score

3.2. Financial Capital

3.2.1. Average income per day

From table 3, the average daily wage of the respondents studied ranges from \$6-\$15.

Table 3 Average income (in dollars) per day

Trade	< \$6	\$6-\$15	>\$15	Total
Bricklaying	0	10	0	10
Carpenters	0	9	0	9
Plumbers	0	2	0	2
Welders	0	1	0	1
Electricians	0	4	0	4
Iron fixers	0	8	0	8
Total	0	34	0	34

3.2.2. Present Savings

Table 4 shows the amount of money saved by the craftsmen at the time of the study. Out of the 34 respondents studied, 6 craftsmen have a savings of less than \$150, 24 craftsmen have between \$150-\$300 as savings, 3 craftsmen have savings between \$301 and \$900 while only 1 craftsman has a saving greater than \$900.

Table 4 Present Savings (in dollars)

Savings	frequency
<$150	6
$150-$300	24
$301-$900	3
>$900	2
Total	34

3.2.3. Mode of saving Money

Out of the 34 craftsmen studied 31 save money in the bank while only 3 save money with thrift society (Table 5).

Table 5 Mode of saving money

Trade	Bank	Thrift Society	Total
Bricklaying	10	0	10
Carpenters	7	2	9
Plumbers	2	0	2
Welders	1	0	1
Electricians	4	0	4
Iron fixers	7	1	8
Total	31	3	34

3.2.4. Access to bank loan

From table 6 it can be seen that none of the craftsmen have ever been granted a bank loan.

Table 6 Bank Loan

Trade	Yes	No	Total
Bricklaying	0	1	10
Carpenters	0	9	9
Plumbers	0	2	2
Welders	0	1	1
Electricians	0	4	4
Iron fixers	0	8	8
Total	0	34	34

3.2.5. Use of income

Table 7 depicts the most significant item that craftsmen spend their money on. The 3 most important items are: food, housing and school fees while the least item is merriment.

Table 7 use of income

Item	*MIS	Rank
Food	0.964	1
Housing	0.858	2
School fees	0.848	3
Health care	0.842	4
Transportation	0.800	5
Relatives	0.752	6
Settling debt	0.448	7
Shopping	0.382	8
Clothing	0.382	8
Merriment	0.276	10

*MIS- mean item score

4. DISCUSSIONS

Moreover, majority of the craftsmen studied do not belong to any crafts association. Lack of trust was found to be the most significant factor discouraging craftsmen from joining crafts association. When the radius of trust is smaller than the group, members cannot benefit from the group (Andriani, 2013). This is clearly shown from the study as craftsmen indicated that accessing financial aid from the association is difficult and there is no empathy for members' needs. This indicates that social capital of craftsmen in the construction industry is poor. Trust is a significant ingredient for social capital to thrive (Fukuyama, 2001).

From the study the average daily wage of the craftsmen was between $6 and $15. This is similar to the findings of Abdullahi *et al.,* (2015) who studied the working conditions of craftsmen in some states in Northern Nigeria and found that the daily wage of craftsmen was between $7 and $10. However, in Europe Hungary with the lowest daily paid wage for craftsmen pays an average of $19 (European Federation of Building and Woodworkers, 2009).

The study also showed that the average savings of most craftsmen was between $150 and $300. Most of the craftsmen prefer to save money in the bank than with thrift society. Even though saving with thrift society is more convenient, a logical reason for preferring the bank is the lack of trust in thrift societies.

5. CONCLUSION AND RECOMMENDATION

The study assessed the social and financial capital of craftsmen in the construction industry. Most of the craftsmen do not belong to trade associations because of lack of trust in the leadership of such associations. The average daily wage of the craftsmen was between $6-1$15 while their total savings was between $150 and $300. Lack of trust was found to be the major factor preventing craftsmen from joining crafts association. Hence, the study recommends that leaders should be selfless and become more empathic and transparent in their leadership. Moreover, social assets which include kinship ties and social networks have great potentials for opening more job opportunities. Hence, trust should be restored in the crafts association so that more craftsmen can join crafts association, get more jobs, have a more steady flow of income.

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