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THE EFFECT OF THE ENTERTAINMENT INDUSTRY ON INCOME GENERATION IN JOS METROPOLIS

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Abstract

Entertainment industry has potentials for enhancing productivity, facilitating the creation of viable and sustainable wealth creation and thus economic development. This study examined the impact of entertainment industry on Income generation in Jos Metropolis, Plateau State, Nigeria. Data were obtained from both primary and secondary sources. The survey research design was employed and questionnaire method of data collection was used. Data obtained were descriptively and quantitatively analyzed. Generalized linear model was employed to analyze the effect of entertainment industry on income generation as its affect economic development in the study area. Findings from the generalized linear model revealed that entertainment industry variable jointly had significant (β= 333.995, p=0.0000) impact on income generation as it affect economic development of the study area. TV, Media and Music had positive and statistically insignificant ((β= 0.059, p=0.3701; β =0.019, p=0.374 and β =0.001, p=0.980)) with Filming having negative and significant (β= -0.138, p=0.0236) impact on income generation as it affect economic development of the study area. To this effect, the study recommended that government should create a conducive environment for entertainment services such as TV and Media to increase the rate of entertainers income generation in Nigeria as these have the tendency of creating more income opportunities for economic development in Jos metropolis. Also, there should be enforced monitoring of the allocated funds to the industry to prevent misappropriation.

Keywords:Income Generation, Entertainment Industry, Economic Development

1. Introduction

The entertainment industry has increasingly become a crucial driver of economic growth and development in many economies across the globe. In Nigeria, the industry encompassing music, film, comedy, fashion, and digital content creation holds substantial potential for income generation, employment creation, and youth empowerment. Despite this promise, there remains limited evidence of consistent government support or strategic investment in the sector, especially in subnational contexts like Jos Metropolis. The economic benefits of the creative sector have often been underleveraged, contributing minimally to gross domestic product (GDP) compared to its performance in other emerging and developed economies (PricewaterhouseCoopers [PwC], 2019).

Income inequality remains a persistent challenge in Nigeria, undermining the country's developmental trajectory. The National Bureau of Statistics (NBS) reported that poverty levels increased from 28.1% in 1980 to 60.9% in 2010 (NBS, 2012). More recent data indicate that as of 2022, approximately 63% of Nigerians about 133 million people are multidimensionally poor (NBS, 2022). While the entertainment industry has experienced substantial growth in monetary terms from a valuation of US$4 billion in 2014 to over US$8.5 billion by 2020 (PwC, 2020) its contribution to GDP remains relatively marginal, averaging between 0.2% and 2.3% depending on the year and sub-sector (NBS, 2019; Statista, 2023). This is in stark contrast to countries like South Africa, where the creative industry contributes approximately 3% to GDP, or the United States, where it accounts for nearly 4.2% (UNESCO, 2021).

In Nigeria, the entertainment industry is a sub-sector within the broader Arts, Entertainment, and Recreation category. Despite its cultural richness and human capital endowments, much of the industry's potential remains untapped, particularly in urban hubs like Jos a city known for its historical contributions to Nigeria's film and music scenes.

Research on the sector's direct impact on income generation, poverty alleviation, and employment in such localities is sparse. Yet, evidence from other countries suggests that well-structured entertainment ecosystems can drive inclusive growth and reduce income disparities (World Bank, 2020).

Recent empirical studies reinforce the notion that the entertainment industry can be a viable vehicle for economic empowerment in Nigeria. For instance, Chukwuma and Adeyeye (2021) examined the relationship between the entertainment industry and youth employment in Nigeria using time-series data. Their findings indicated a significant positive correlation between investment in the entertainment sector and reductions in youth unemployment, particularly in urban areas. Similarly, Obi, Hassan, and Ekong (2022) investigated the economic impact of Nollywood in Southeast Nigeria and found that the film industry has substantial multiplier effects, stimulating local economies through direct and indirect job creation. Additionally, Ibrahim and Yusuf (2023) explored the role of digital content creation in Northern Nigeria and discovered that social media platforms are becoming substantial income sources for youth, despite infrastructural and regulatory limitations.

These empirical findings highlight the untapped potential of Nigeria's entertainment sector as a tool for reducing unemployment and income inequality, especially at the subnational level. Given the pressing challenges of unemployment, youth disenfranchisement, and growing poverty in Nigeria, a strategic focus on entertainment as an economic sub-sector could foster inclusive growth. Thus, this study seeks to examine the effect of the entertainment industry on income generation in Jos Metropolis, Plateau State. The findings aim to offer insights that could inform policy frameworks for harnessing the sector's full potential in Nigeria's broader economic development strategy.

2. Methodology

The field survey research method was adopted for this study and also an estimated non-linear GLM model which accounts for non-negative response variables. This was done by estimating a nonlinear specification of the contribution of entertainment enterprises/industry to employment generation.

2.1 Population and sample

The target population for this study comprised of one filming institute (National Film Institute Jos), six television stations (PRTV, NTA, AIT, Silver Bird, Channels TV, and TVC), one newspaper house and nine radio stations (Highland FM, Jay FM, Tin City FM, Rythm FM, Unity FM, Peace FM, KT FM, Rock FM and UJ FM) while music one thousand artists makes up the population of music within Jos metropolis.

The study used the Yamane (1967) formula for the determination of sample size in computing the sample size for the study. This technique is considered the most appropriate because of the study Area which is Jos Metropolis covers two Local Government Areas, each having rural and urban dwellers that enjoy the products and services of entertainment industry.

Yamane formula is expressed as follows:

$$n_0 = \frac{N}{1+N(e)^2}$$

Where; n_0 : sample size

N : target population

p :estimated proportion of an attribute that is present in the population

1: constant

e: the desired level of significance which is 5% or 0.05.

Therefore given e=0.5 and N= 3588, the calculation for the sample size will be:

$$n_0 = \frac{3588}{1+3588(0.05)^2}$$

$$n_0 = \frac{3588}{1+3588(0.0025)}$$

$$n_0 = \frac{3588}{1+8.97}$$

$$n_0 = \frac{3588}{9.97}$$

$$n_0 = 359.88$$

Table 1: Sample Size table

Entertainment outlet	Population of staff	Sample of staff
Film Institute	335	50
TV	462	66
Radio	1791	137
Music	1000	107
Total	3588	360

Source: Author's computation from Field survey (2021)

2.2 Model Specification

Entertainment industry and Income Generation

The GLM specification of the non-linear relationship between entertainment and income generation is as expressed in equation 1 below;

Income generation = f(Entertainment industry) - (1)

$$INC_t = \exp(\beta_0 + \beta_1 TV_t + \beta_2 Media_t + \beta_3 Filming_t + \beta_4 Expn_t + \beta_5 Music_t + \beta_6 SAV_t + \beta_7 LEDU_t) + \varepsilon_t \qquad (2)$$

Where;

INC = Average income per annum (proxy for economic development)

TV= wage from TV production

Media= monthly wage from media

Filming= monthly wage from filming

Music= monthly income from music

Expn = Expenses incurred per annum

SAV = Savings made from entertainment activities per annum

LEDU = Level of education

Exp = exponential

β_0 is the intercept, β_i $i = 1, 2, \ldots, 6$ are the parameters/coefficients to be estimated *and* ε *is* the error term

2.3 Method of Data collection

The major instrument for data collection is a structured questionnaire administered in the field in order to get information on the activities of entertainment enterprises and their impact on economic development. Section A to E generate data on; personal information of respondents, business information of respondents, contribution of entertainment industry's income generation, and the challenges and constraints faced by entertainment enterprises. Research assistants were used in this study and trained on what to do as regards filling the questionnaire, types of discussions and questions to ask, and salient points that aided the research.

2.4 Method of Data Analysis

A descriptive method was employed to analyse the data generated from the field survey. The descriptive statistics reported include the personal data of the respondents, business information of different entertainment enterprises. The study's objective used Generalized Linear Models (GLMs). Nelder and Wedderburn (1972) described a Generalized Linear Models as a class of models that extends linear regression to permit non-normal stochastic and non-linear systematic components.

3. Result and Discussions

Table 2: GLM for Model Equation
Entertainment and Income Generation

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	0.233552	0.237032	0.985318	0.3245
TV	0.059852	0.066771	0.896374	0.3701
Media	0.019389	0.021840	0.887762	0.3747
Filming	-0.138748	0.061295	-2.263620	0.0236
Music	0.001044	0.042767	0.024421	0.9805
DFA	0.651448	0.047161	13.81321	0.0000
LEDU	0.186825	0.032098	5.820389	0.0000
Mean dependent var	1.885449	S.D. dependent var		0.979228
Sum squared resid	150.1067	Log likelihood		-334.5972
Akaike info criterion	2.115153	Schwarz criterion		2.197021
Hannan-Quinn criter.	2.147834	Deviance		150.1067
Deviance statistic	0.475021	Restr. Deviance		308.7616
LR statistic	333.9956	Prob(LR statistic)		0.000000
Pearson SSR	150.1067	Pearson statistic		0.475021
Dispersion	0.475021			

Source: Author's Compilation from Eview (2021)

Table 2 demonstrated the result of the generalized linear model for equation two. Under model two, TV and Media had positive coefficients of 0.0598 and 0.0193. The results complied with a priori expectation of the model meaning that an increase in both TV and Media services would boost the study area's economic development. Therefore, a 1% increase in TV services would lead to an increase of 0.059% in economic development of Jos metropolis. Media services witnessed an increase of 1% which leads to 0.019% increase in economic development of Jos metropolis. By implication, TV and Media services contribute insignificantly to the development of the study area in terms of income generation as shown by the probability values of 0.3701 and 0.3747 respectively.

Contrarily, Filming has a negative coefficient of 0.1387. This value is inconsistent with a priori expectations, implying that an increase in filming production would result into a decrease in economic development of Jos metropolis in terms of income generation. Thus, 1% in film production would lead to a reduction 0.138% in Jos metropolis economic development in terms of the income generation. On the other hand, music has a positive coefficient of 0.0010. The result is in line with a priori expectation of model two. Therefore, an increase of 1% in music production would lead to increase in the level of economic development of Jos metropolis by 0.001%. However, Film production has significant effect on economic development of Jos metropolis as shown by the p-value of 0.0236 while music has insignificant effect on Jos metropolis economic development as depicted by 0.9805 p-value.

The outcomes in table 2 shows that demand for entertainment services (DFA) and level of education of the respondents have positive coefficients 0.67514 and 0.1868. The result is in agreement with a priori expectation of model two, implying a positive effect on economic development of the study area. This implies that a 1% increase in DFA would lead to a rise of 0.651% in economic development of Jos metropolis. Furthermore, a 1% increase in respondents' level of education would lead to an increase of 0.186% in economic development of Jos metropolis. This implies that both DFA and level of education contributes significantly to the development of Jos metropolis as depicted by the probability values of 0.0000 and 0.0000.

Model two showed that variables have joint statistically significant in the determination of income for economic development of the study area. This adjudged by LR statistic test probability value of 0.0000 which is less than 0.05 significance level. This implies that the independent variables have joint statistical significant effect on economic development of the study area at 5% level of significance.

Therefore, the null hypothesis which states that entertainment has no significant effect on income generation was rejected.

The standard error distribution of the second generalized linear model result also confirmed the robustness of the estimates in table 2. This is shown by the Deviance statistic, Akaike information criterion, Schwarz information criterion and Hannan-Quinn information criterion were low at 0.475021, 4.1151, 2.1970 and 2.1478 respectively. The higher the values of the information criteria, the lower the goodness of the model fit and vice versa. Thus, the values are relatively small enough to conclude that the model predictions are close to the observed outcomes, hence, estimates from the model is reliable and unbiased.

3.1 Discussion of Findings

The study sought to examine the impact of entertainment industry on Income generation in Jos metropolis. With regard to income generation and economic development of the study area, TV, Media and Music services were positive and insignificantly related to economic development of the study area. This implies that TV, Media and Music services have the potential of improving economic development of the study area through income generated from the entertainment industry. The insignificance of these services could be attributed to limited entertainment outfits which only contribute positively to the production of entertainment products in the study area. This implies that the entertainment industry in the study area has the potential of increasing the income base of entertainers in the study area for improved living standard and general economic development. The study findings aligned with the views of Wale (2016) who concluded that with proper structuring and intervention, the Nigerian music industry can be a major player within the global music scene, and be a viable revenue earner for the country aside from crude oil. However, Film services in the study area have negative and significant effect on the level of economic development in the study area. The negative impact could be attributed to the high creativity and innovation which has affected the income of the respondents negatively thereby leading to declining level of economic development of the study area.

4. Conclusion and Recommendations

The study examined the impact of entertainment industry on Income generation in Jos Metropolis of Plateau State, Nigeria. The study concluded that TV, media, film and music have great potential in boosting the study area's income generation for effective maximization of welfare and thus economic growth and development of the state at large. The study recommended that government should give more attention to the entertainment industry to enhance entertainers' income levels. Also, there should be enforced monitoring of the allocated funds to the industry to prevent misappropriation.

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