

**EFFECTS OF WOMEN PARTICIPATION IN SAVING MOBILIZATION SCHEME  
ON ENTERPRISE DEVELOPMENT IN NIGER STATE, NIGERIA**

**By**

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## ABSTRACT

The study assess the effectiveness of women participation in saving mobilization scheme on enterprise development in Niger state. The objectives were to describe the socioeconomic characteristics of the respondents: assess types of saving mobilization engaged by the respondents: identify the various economic development enterprises engaged in by the rural women: factors influencing women participation in saving mobilization scheme: determine the effect of women participation in saving mobilization scheme on enterprise development and identify the constraints associated with rural women participation in saving mobilization scheme. There (3) local government areas were purposively selected, one hundred and sixty eight (168) respondents were randomly selected for interview from sample frame of 296 registered women cooperatives groups, using 20% based on the number of women in each of the registered groups obtained as sample frame. Well-structured questionnaire was used to obtain data. Descriptive statistical techniques such as the frequency distribution, percentages and mean were used to examine the socio-economic characteristics of the participants in the study area. Also, 3-point Likert type rating scale was used to measure the level of rural women participation in saving mobilization scheme. Inferential statistical techniques namely; Logit regression and Tobit regression were used to determine the effects of women participation in saving mobilization scheme and economic enterprises development respectively. Also, Kendall Coefficient of Concordance was used to examine the constraints associated with women participation in saving mobilization scheme. The findings of the study revealed that (31.2%) of the women had formal education with secondary certificate. The major type of saving mobilization were: contribution (81.6%) esusu (73.8%), keeping livestock (55.4%) and bank (54.8%). The result show that, the value of coefficient of determination  $R^2$  was 22.0% as factors that influencing the women participation is saving mobilization scheme in the study area are implying that 71.55 % of the variation in the dependent variable is explained by the independent variables in the logit regression model. The increase in education level (0.01%), scale up enterprises (0.10%), annual enterprise income (0.01%), access to credit (0.10%), and amount of saving mobilized annually (0.01%) were all significant and directly related to factors influencing participation in saving mobilization scheme in the study area. This implies that one unit increase in any of the variable will lead to an increase in the level of participation in savings mobilization scheme. Ability to send children to school, improve income, scale up enterprises, self-reliance, ability to acquire more assets, empowerment, access to financial credit facility, access to improve health care services and environmental social impact were effects of saving mobilization scheme on women enterprises development. It was further revealed that increase in investment, increase in income, increase in farm size, opening of new branches, better linkages to market, enhance standard of living, access to credit and diversifying into profitable business are effects of saving mobilization scheme on participant's enterprises development. The result revealed that eleven constraints were identified as key problems faced by the women participating in saving mobilization scheme in the study area. Distance to Bank with mean (4.57) as the most serious constraint faced by the participant. Based on the result from the findings of this study, it can be concluded that there is high level of participation by the respondents in saving mobilization scheme in developing their enterprise. It is recommended that, there is need for financial institutions to be closer to the rural communities and responsible for provision of flexible credit funds to assist rural women through cooperatives that will enhance more participation and saving ability.

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## CHAPTER ONE

### 1.0

### INTRODUCTION

#### 1.1 Background of the Study

Agriculture is the backbone of Africa's economy and the main source of income for 90% of African population, and the sector accounted for about 20% of the total merchandise exports (Ojeh *et al.*, 2012). They stated further that about 70% of Africans and roughly 80% of the continent's poor live in the rural areas and depends mainly on agriculture for their livelihood. However, Nuhu *et al.* (2014) stated that women play vital roles in agricultural production in all parts of Nigeria. They are actively involved in farming activities constituting about 60-80% of the labor used for farming activities, like planting, weeding, transportation, processing, marketing and storage of products; as well as accounting for two-thirds of food crops produced in the country.

Women constitute approximately half of the rural labour force and while not always counted, they are economically active in the rural economy (Food and Agriculture Organization (FAO), 2014). In doing so, they contribute to national agricultural output, maintenance of environment and family food security. Women make essential contribution to the rural economy of all developing country as farmers, labourers and entrepreneurs. Women's roles vary considerably between and within the regions and are changing rapidly in many parts of the world, where economic and social forces are transforming the agricultural sector (FAO, 2012).

Rural women often manage complex households and pursue multiple livelihood strategies (World Bank, 2003). The activities of rural women in agriculture according to World Bank (2003) typically include producing agricultural crops, rearing animals, processing and preparing food, working for wages in agricultural or other rural enterprises, collecting fuel and water, engaging in trade and marketing, caring for family members and maintaining their

homes. Furthermore, Umunakwe *et al.*(2017) posited that women are into various agricultural activities amongst which are poultry production, piggery, goat rearing, sheep rearing, cattle production, cassava processing, maize processing, vegetable production, cocoyam processing, yam processing, fish farming and marketing of agricultural produce.

Nigeria women made up of 60-80% of the agricultural labour force, depending on the region and they produce two-thirds of the food crops (World Bank, 2010). They produce, process and market about 80% of food, manage 70% of all small- scale enterprise and about 33% of all households. This therefore means that women are more involved in agricultural production than men (Okafor and Malizu, 2013). Also, Mgbakor *et al.* (2014) stated that while women constitute about half of the total Nigeria population, rural women form more than 70% of this population and they play dynamic roles in rural economic life. They are actively involved in agricultural production, which is the basic sector of the rural economy. Women in agriculture are performing very creditably in providing abundant food for ever increasing population of Nigeria and the world at large.

In Nigeria, the involvement of women in agriculture has attracted greater attention in recent years. This is a recognition that women play very significant roles in Nigeria agricultural production, processing and utilization, the Nigerian Government more than ever before is keen upon rural poverty alleviation as a way of improving the economy (Alhaji, 2009). Therefore, agriculture is an important economic sector, since it provides income and food for a large segment of the population in Nigeria. It thus, plays a central role in building a strong economy, increasing the incomes and employment opportunities for the poor rural women who constitute a very large percentage of the rural dwellers Okafor and Malizu (2013). In most communities in Nigeria, women are mobilizing resources and forming cooperatives for farming and other enterprises as a means of providing for their wards and source of employment (Odemero, 2013).

Savings can be defined as the part of income that is not immediately spent but kept aside for future consumption, investment and unforeseen contingencies. According to Flescher and Kenney (2007), savings and savings mobilization in any economy are undertaken by mostly formal and informal financial institutions. One of the basic features of a developing country is financial dualism, which refers to a situation where the formal and the informal financial sector co-exist (Girma *et al.*, 2013). In many of such countries, the informal financial sector is more common because of the ease of entry and financial benefit when required. Level of illiteracy and the financial under-development of the economy also accounts for the rapid growth of the informal financial sector.

Odemero (2013), reported that high level of illiteracy and the informal financial services available to women micro-entrepreneurs are diverse, ranging from formal banking system to easy accessible micro-credit provided by informal savings and credit system. Saving is undeniably considered as a strategic variable in the theory of economic growth determining both individual and national well-being (Girma *et al.*, 2013). However, saving level in some parts of Africa, particularly in rural areas is very low and little is known empirically about its patterns and determinants (Girma *et al.*, 2013). Although, research has shown that poor people in Sub-Sahara Africa (SSA), including those living in rural areas are into saving. Development literatures has increasingly acknowledged the important of role of savings in the livelihoods of households in rural sub-Sahara Africa (Girma *et al.*, 2013).

Saving is a key component in any development endeavour as it is believed to be the surest way of increasing income and boosting productivity in an attempt to break out of the vicious cycle of poverty. Saving mobilizations could be formal or informal. Over the years successive government in Nigeria have tried to provide formal savings mobilization opportunities in attempt to make financial resources available to the people to actualise their livelihood activities

that could lead to economic development. Examples of these formal savings mobilization opportunities include rural banking scheme, micro-finance bank and community banks with ease of accessing facilities by the people (World Bank, 2003).

Savings are important ways of improving well-being, insuring against times of shocks and providing a buffer to help people cope in times of crisis (Wainyragania, 2011). Hence, the enormous importance of women's savings in the overall enterprise growth and development of the Nigerian economy and in Niger State in particular. Their savings have a multiple effect on the economy, it contributes to the accumulation of financial capital at household as well as national levels. Savings of an individual and households form a substantial part of capital accumulation in any given society. Thus, everyone at one point in time saves something of value (Bime and Mbanasor, 2011).

In recent times, interest in micro-savings beyond just micro-credit has grown; This is due to the fact that micro-finance practitioners have come to realise that credit are not always appropriate for the poor women (Afolabi, 2008). This paradigm shift came about due to the realization of the inadequacy of loans to help the poor to improve their well-being especially women (Sharima, 2004). However, rural financial programmes have been largely designed, crafted and implemented with the male heads of households as the intended client and failed to recognize that women are active, productive and engaged in different livelihood activities with their own financial needs and constraints (Afolabi, 2008).

Empowerment is the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes (World Bank 2003). Women entrepreneurship in developing economies like Nigeria, account for a substantial portion of economic production and trade because women entrepreneurship is not new in Nigeria. In fact, it is a socio- economic process, often coming in the form of skill acquisition

whereby trainees acquire the skills inherent in the family and skilful people around them. Women empowerment is the development of mental and physical capacity, power and skills in women for them to operate meaningfully in their social milieu, thereby experiencing a more favourable level of social recognition and subsequently enhance their economic status (Akomolafe, 2006).

Entrepreneurship is empowering, as it has the potential of developing human resources through tradition and modern apprenticeship in trades and occupation. It provides opportunities for skill acquisition to promote balanced economic growth and development, when women are empowered, the whole families benefit and these benefits often have effects on future generations (United Nations (UN), 2011). The ultimate goal of empowering programmes is to increase the capacity of a community to address its own basic needs (Asikhia, 2013). Such programmes are in the form of service related to improving the livelihood of rural people especially women and youth. For example, many organizations in India and Bangladesh seek to promote the economic empowerment of women by providing access to micro- finance. Similar efforts are being made to improve the health and education of women in developing countries by using a people centred approach to empowerment based on a rights-based approach (Lewis and Kanji, 2009).

## **1.2 Statement of the Research Problem**

Rural women in Nigeria are still in the subsistence class. Their produce is barely for the family. The individual farmers are comparatively powerless against market forces and unable to obtain economies of scale by their effort to save, while women too are inevitably poor and their income profile remain stagnant. Indeed, saving mobilization particularly in rural areas, requires careful planning and products design. More branch openings by microfinance institutions in the past

decades has deepened financial outreach, bringing services nearer to the clients, particularly the poor ones.

Typically, the inconvenience of formal institutions is not restricted to their location as long queues, short hours and bureaucratic requirements add to the difficulties. Commercial banks also pose a cultural barrier for most poor people who do not feel welcome at bank branches (Dejene, 2010). Limits to attention, or commitment problem (the inability to realize future plans due to lack of self-control), inter-temporal consumption and savings decision. When faced with severely limited resources, individuals tend to automatically tunnel or intensely focus on the most pressing problem while neglecting all other demands.

Even though millions of women throughout the world contribute to national agricultural output and family food security, detailed studies from developing countries consistently indicated that rural women are more likely to be financially constrained than men of equivalent socio-economic status (Fasoranti, 2001). Recently, in Niger State, different donor agencies have emerged to empower women for development. Donor agencies such as International Fund for Agricultural Development (IFAD) through Value Chain Development Programme aimed to reduce rural poverty and achieve accelerated economic growth on a sustainable basis; also, increase rice and cassava production so as to meet the increasing demand and to discourage rice importation, as well as empowering women processors in rice parboiling technology for processing of rice.

The *Fadama* III – Additional Financing is another programme geared towards women empowerment to increase the incomes for users of rural lands and water resources within the Fadama Areas in a sustainable manner in the recipient's territory. Agricultural Transformation Agenda Programme ATAP focusing on improving farm productivity performance of clusters of farmers engaged in priority food staples namely rice, cassava, sorghum and horticulture.

These agencies have been operating in order to facilitate effective women empowerment through: (i) Group savings mobilization, (ii) Vocational training, (iii) Delivery of agriculture services / inputs, (iv) Capacity building, (v) Linkages to markets, (vi) Access to credits, (vii) Strengthening of women organizations, (viii) Improve quality and quality insurance of their products to meet international standard.

However, there is insufficiency of empirical analysis carried out on the effects of rural saving mobilization among women groups for enterprise development in Niger State. Despite the immense contributions of women, they face a number of constraints including socio-economic, institutional and cultural factors that limit their capacity of achieving their potentials. It is based on this back drop, that the following research questions were fomulated:

- i. What are the socio-economic characteristics of rural women in the study area?
- ii. What types of savings mobilization techniques available to the women for enterprise development?
- iii. What are the various economic development enterprises engaged in by the rural women?
- iv. What are the factors influencing level of women participation in savings mobilization sheme?
- v. What is the effects of women participation in saving mobilization scheme on enterprise development?
- vi. what are the constraints associated with women participation in savings mobilization scheme?

### **1.3 Aim and Objectives of the Study**

The aim of this study was to determined the effect of women participation in saving mobilization scheme on enterprise development in Niger State, Nigeria.

The objectives of the study were to:

- i. describe the socio-economic characteristics of rural women in the study area;
- ii. examine the types of savings mobilization scheme techniques available to the rural women for enterprise development;
- iii. identify the various economic development enterprises engaged in by the rural women;
- iv. determine the factors influencing level of women participation in savings mobilization scheme;
- v. determine the effects of women participation in saving mobilization scheme on enterprise development, and
- vi. examine the constraints associated with rural women participation in savings mobilization scheme.

### **1.5 Hypotheses of the Study**

Ho<sub>1</sub>: There is no significant relationship between selected socio-economic characteristics of the rural women and their level of participation in savings mobilization scheme.

Ho<sub>2</sub>: There is no significant relationship between level of rural women participation in savings mobilization scheme and their enterprise development.

### **1.5 Justification of the Study**

Women are represented in various forms and in various types of cooperatives in the world generally and Niger State in particular. In societies where culture restricts women's membership in cooperatives, women-only cooperatives proliferate. It is in women-only cooperatives that women feel free and less restricted in their participation in cooperatives. This study investigates and analyse effects of women groups savings mobilization on enterprise development.

There have been some improvements but generally the situation appears to have deteriorated regarding women participation in cooperatives. Poverty, low status and lack of participation and integration into the mainstream have resulted in the marginalization of women. To integrate women into the mainstream is not an easy task, but the first step is to change attitudes and overcome the existing resistance to the change in women's roles. Society must recognize and value women's productive and reproductive roles and their contribution to cooperative sustainable and economic development. Therefore, this research will try to identify the gap and propose some frameworks for policy issues which affects active, equitable participation of women in saving mobilization, for sustainable enterprise development with the context having that members involved in all the functions of cooperatives including planning, decision-making, implementation, financial and management control.

This study is expected to play important role in contributing information to the existing literature on importance of participating in saving mobilization scheme on income generation among the women and how it affects enterprise development. The result of this study will provide evidence on the extent at which the observed socio-economic characteristics and institutional factors affect the rural savings mobilization on enterprise development of women groups in Niger state. The study will also identify possible areas of policy intervention that could address the differential gaps. Furthermore, the study will provide ample evidence as a basis for the development, evaluation, modification and sustenance of policies that ensure increasing credit facilities as a means of improving women enterprise development. It will identify constraints faced by women in their savings as well as proffer solutions that will be useful to the beneficiaries. Finally, the finding from this study will contribute to knowledge which will be beneficial to students and researchers who will be interested in carrying out further research in this area.