

GENDER AND ACCESS TO CREDITS IN ADAVI LOCAL GOVERNMENT AREA OF KOGI STATE, NIGERIA.

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ABSTRACT

This study is a comparative assessment of how gender factor affect access to credit in Kogi State of Nigeria. Access to credit has been a major problem among rural farmers in Nigeria due to lack of adequate collateral among other reasons. The study therefore used a cross-sectional data collected from 70 farmers (40 males and 30 females) in the study area to examine the sources of credits available to the farmers and compare factors that influences male and female farmers' access to credit in the area. Primary data were collected from the sampled farmers using a structured interview schedule. Descriptive statistics and multiple regressions were tools employed to analyze the data. The study shows that about 80% of the male farmers and about 77% of the female farmers have mean age of 39 years and 40 years respectively and have farm for at least 14 years with one form of formal education or the other. The study also revealed that 55% male and 40% female only have access to credit from formal source. The multiple regression analysis shows that farming experience and age were significant variables influencing access to credit among the male gender while only age significantly influence access to credit among the females. The study recommended that loan be given to both male and female without being gender bias. Government should also intensify effort on gender equality to promote growth in the agricultural sector.

Key Words: Gender, credit, multiple regressions

INTRODUCTION

It is generally believed that small holding (resource poor) farmers have limited access to credit compared to other beneficiaries of credit facilities (Nigerian Agriculture Magazine, 2000). Gender is used to describe roles, activities, needs and problems of men and women in agricultural production process (Buckland and Halegoah, 1996). Men and women have contributed differently to agricultural production. According to Onyemauwa, *et al*, (2008), it is important to understand gender contribution to agricultural production as this knowledge would ensure understanding their agricultural needs including access to credits. In Nigeria, gender sensitivity play a vital role in virtually all human endeavors, but mostly women are often constrained in terms of access to credit, agricultural inputs, information technology and so on compared to men. Women in their feminism virtues have been found to participate actively in all sub-sectors of agriculture namely crops, livestock, fisheries and agro forestry and particularly in subsistence food productions. They account for 70 per cent of agricultural workers, 80 per cent of food producers, 100 per cent of those who process basic foodstuff and undertake 60-90 per cent of the marketing of food stuff (Maigida, 2001). Nigerian women are greatly involved in

food processing and utilization, yet they lack access to improved technologies and credit due to their poor educational and financial background. In addition, their farms are clustered and in small holdings, preventing any form of mechanization and invariably affects their chance to have access to credit. As a result of lack of ownership, or transfer of title, lack of collateral, small assets holdings, cumbersome nature of acquiring loanable funds, problems of financial institution and the like. Credit in form of loan does not meet the yearnings and aspirations of rural farmers' especially female farmers. These affect their potentials particularly in loan disbursement as those to give loan are skeptical in its entirety because of defaults of beneficiaries.

This study was carried out to:

1. Examine the sources of credit available to the farmers (male and female)
2. Compare factors that influence men and women farmers' access to credit in the study area and
3. Identify the problems militating against farmers' access to credit in the study area with a view of recommending appropriate measures.

METHODOLOGY

The study was carried out in Adavi Local Government Area of Kogi State, Nigeria in 2009. The study Area is 5440km² in size and lies between latitude 8° 5' N and 6° 15' E. It shares boundaries with Okehi, Okene, Lokoja and Ajaokuta Local Government Areas. Primary data were used for the study. The data were collected through interview schedules using well structured questionnaires. Two stage random sampling was used for the study. The first stage involved random selection of four villages from the eight villages actively involved in agricultural production in the area. The second stage involved random selection of ten men and ten women farmers from each of the four villages giving a sample size of 80 farmers.

However, only 30 females responded. Data were analyzed using descriptive statistics and multiple regression analysis. Descriptive statistics such as percentage, mean and frequencies were used to describe the socioeconomic characteristics of the farmers, the different sources of credit available to the farmers and the problems militating against farmers' access to credit. Multiple regression analysis was used to determine and compare factors that influence men and women farmers' access to credit. The model is expressed implicitly as;

$$Y_m = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + e$$

$$Y_w = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + e$$

Where,

Y_m = access to credit by male (total amount received in naira)

Y_w = access to credit by women (total amount received in naira)

X_1 = age of the farmer (years)

X_2 = family size (number)

X_3 = education Level (years)

X_4 = farming experience (years)

X_5 = farm size (hectare)

e = error term

RESULTS AND DISCUSSIONS

Socio-economic characteristics

Table 1: Socio-economic characteristics of sampled farmers

Variables	Male		Female	
	Frequency	%	Frequency	%
Age (Years)				
21-30	12	30.0	8	26.7
31-40	10	25.0	8	26.7
41-50	10	25.0	7	23.3
51-60	5	12.5	5	16.7
>60	3	7.5	2	6.7
Total	40	100	30	100
Education Level				
Primary	10	25.5	10	33.3
Secondary	10	25.5	4	13.3
Tertiary	2	5.0	2	6.7
Adult	6	15.0	8	26.7
No formal education	12	30.0	6	20.0
Total	40	100	30	100
Family Size				
1-5	20	50.0	13	43.3
6-10	15	37.5	7	23.3
11-15	5	12.5	10	33.0
Total	40	100	30	100
Farming Experience				
1-5	7	17.5	10	33.3
6-10	6	15	9	30.0
11-15	10	25	5	16.7
16-20	14	35	4	13.2
>20	3	7.2	2	6.67
Total	40	100	30	100
Farm Size				
0.5-1	4	10	6	20.0

1.1-2	12	30.0	10	33.3
2.1-3	10	25.0	5	16.7
3.1-4	7	17.5	4	13.3
>4	7	17.5	5	16.7
Total	40	100	30	100

Source: Field survey, 2009

Table 1 shows the distribution of the sampled farmers based on their socio-economic characteristics. Both the male and female farmers were still in their economic active age (21-50years); this could result in a positive effect on production. A good number of the farmers have one form of formal education or the other, though the men were more educated than the women. This agrees with Njoku, (1991) who observed that formal education has a positive effect on adoption of innovation. An average family size of eight persons was also recorded, which is quite large, this may tempt the farmers to divert loan into solving family problems. In terms of farming experience, men were more experienced and involved in the farming activities; this could aid their access to credit. More men also cultivated large farm sizes compared to women as over 67% of the men cultivated between 2 and 4 hectares whereas only about 33% of women cultivated the same.

Access to source of credit

Table 2: Distribution of Respondents According to Access to Source of Credit

Source	Male		Female	
	Frequency	%	Frequency	%
Bank	22	55	12	40
Cooperative	4	10	3	10
Relatives/Friends	8	20	11	36.7
Credit /thrift	6	15	4	13.3
Total	40	100	30	100

Source: field survey, 2009

Table 2 shows that men dominated in terms of access to credit through Banks. This probably is because the men were more educated than the women in the area. On the other hand, the women have more access to credit through friends and relatives compared to the men. It was also discovered that the men have more collateral to offer as security for loan than the women. This could be due to the higher level of exposure and moreover, men own more landed properties compared to women in the area.

Determinants of Access to Credit**Table 3: Regression Analysis of socio-economic determinant of Gender access to credit**

Variables	Coefficients Male	Coefficients Female
Age(X ₁)	0.1759(1.8560)*	0.3210(1.7510)*
Family size(X ₂)	- 0. 0170(0.9860)	2.6310(0.0150)
Education Level(X ₃)	0.3040(0.7630)	0.7690(0.4500)
Farming experience(X ₄)	+0.0290(1.9770)*	0.7440(0.4640)
Farm size(X ₅)	-0.2640(0.9730)	-2.4240(0.0230)
R ²	0.009	0.340
F	0.997	0.61
Adjusted R	-0.137	0.202

Source: field survey, 2009

Values in parenthesis are t values. * Significant at 10%

Table 3 shows the result of the multiple regression analysis to determine the socio-economic factors that affect access to loan. Age and farming experience were factors that significantly influenced access to credit in males. The positive value of these factors implies that the older the farmers and the more experienced they are the more the access they have to credit. This is possible because they are well experienced and older and would not possibly divert the money to other uses. For the females only age was found to be significant and also positive.

Constraints to Farmers' Access to Credit**Table 4: constraint to obtaining loan from formal institutions**

Problems	Female Frequency	%	Male Frequency	%
Banking procedures	12	30	10	33
High Interest rate	19	47.5	10	33
Collateral	5	12.5	6	20
Ignorance	4	10	4	13.3
Total	40	100	30	100

Source: field survey, 2009

Some of the difficulties encountered by the farmers while sourcing for loan are shown in Table 4. The study shows that more women have difficulty with banking procedures than men. Some of these difficulties include high cost of obtaining the loan, the repayment schedule and so on. Higher proportion of the women compared to men also has problems meeting up with the collateral requirements.

CONCLUSION AND RECOMMENDATIONS

The study has shown that men have more access to formal credit probably because of their level of education and ability to provide collateral. The women on the other hand have more access to informal credit due to their trustworthy nature and familiarization. It was therefore recommended that efforts be made by both the community and the government to encourage and promote education of the female gender in the area. Also, that the procedure for obtaining loan from formal sources should be such that would encourage women to apply for loan. Government should also intensify effort on gender equality to promote growth by integrating women into policy decisions affecting their lives, including policies on the use of land, credit and other resources and economic opportunities.

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