



FACTORS INFLUENCING WOMEN PARTICIPATION IN SAVING MOBILIZATION SCHEME IN BENUE STATE, NIGERIA

Lawal, M., Salihu, I. T., Tsado, J. H., Umar, I. S. and Abdullahi, A.

Department of Agricultural Extension and Rural Development,
Federal University of Technology Minna.

Corresponding Author's E-mail: lawalm31@gmail.com Tel.: 08163743368

ABSTRACT

The study determines factors influencing women participation in saving mobilization scheme (SMS) in Benue State, Nigeria. A sample size of 137 women were selected from the State using four-stage sampling techniques. Structured questionnaire complimented with interview scheduled were used for data collection. Data were analyzed using descriptive statistics (means, percentages and frequency counts), Livelihood Status Index (LSI) and Ordinary Least Square regression. The result revealed that rural women participated commonly in saving money through *esusu* ($\bar{X} = 3.60$, weekly thrift contribution ($\bar{X} = 3.45$) as well as production and marketing cooperative ($\bar{X} = 3.14$). The findings also revealed that 52.6% of the respondents had high livelihood status during participation in SMS. The coefficient of age (0.050444), marital status (0.57432), household size (0.073597), years in education (-0.9544), membership of cooperative (0.432058) and access to credit (-0.08612) had significant influence on women level of participation in SMS. The study concluded that more than half of the respondents had high livelihood status during SMS. Also, the coefficient of age, marital status, household size, years of education, member cooperative and access to credit have influence on women level of participation in SMS in the study area. It was recommended that women should diversify in other sustainable income generating activities in order to enhance their livelihood status. Also, women should source for credit from viable and credible institution to ensure sustainable livelihood.

Keywords: Factors. Influencing. Mobilization Scheme, Saving, Women Participation.

INTRODUCTION

Saving is low even in economies where the share of adults with an account has reached about 70 percent or more (Global index database, 2017). Low savings rate has been one of the most serious constraints to sustainable economic growth, on the average, third world countries with higher growth rates incidentally are those with higher saving rates, the mobilization and pooling of savings; and, the ease of exchange of goods and services (World Bank, 2014). The problem with domestic savings in Nigeria has been long standing issues over time and has been debated and re-evaluated by policy makers (Noko, 2016). However, the importance of savings in promoting the autonomy of individuals, households, enterprises, financial institutions and the national economy can never be over stressed. People tend to save to compensate for uneven income streams and for various purposes such as insurance against bad health, disability and other emergencies, investments, social and religious obligations, and future consumption. The inability to save for sustainable economic growth has become a serious challenging issue facing developing countries including Nigeria (Adams *et al.*, 2013). Households' savings play an important role in the economic development of both developed and developing nations, due to its significant influence on the circular flow of income in the economy (Agbo *et al.*, 2015). Focus on women and through financial inclusion is also thought to support household



empowerment and economic activities. However, studies on the factors that influence rural women participation in savings mobilization scheme is limited in the study area. It is against this backdrop, the research examined the factors influencing women participation in saving mobilization scheme (SMS) in Benue State, Nigeria. The specific objectives of the study were to: (i) examining level of participation of women in savings mobilization schemes; (ii) determine the factors influencing the level of participation rural women in SMS; and (iii) examine the livelihood status of women before and during participation in SMS.

MATERIALS AND METHODS

The Study Area

Benue State falls within longitude 7°47'E to 10°0'E and latitude 6°25'N, 8°8'N. The State covers an estimated land area of 34,059 km² and a population of 5,741,800 (NBS, 2019). The main occupation of the people is farming, the major crops produced include potatoes, cassava, yam, rice, guinea corn, soya beans, sesame, millet and groundnut. The mean annual rainfall in the state is about 1,311.75mm to 1,500mm. The temperature range is between 24°C and 37°C, it is generally high throughout the year with February and March as the hottest months. Benue State enjoys fertile arable land, abundant human resources and raw materials (NBS, 2019). The main activities for sustenance are farming, fishing, hunting, trading, weaving, blacksmithing, Tying and dying, mat making and some other trading across the region.

Sampling Procedure

Four (4) stage sampling technique was used. In the first stage. The first stage involved purposive selection of two agricultural zones where savings mobilization scheme is implemented in the State (Zone I and III). The second stage involved random selection of two (2) Local Government Areas (LGAs) from each selected agricultural zone to give a total of four (4) LGAs. The third stage involved random selection of three (3) participating villages from each Local Government Areas (LGA), making a total of 12 villages. The last stage involved proportionate selection of 10% of the population from the sampling frame of the selected villages. In all, a total of one hundred and 137 respondents were used for data collection in this study.

Analytical Techniques

Descriptive statistics such as frequency counts and percentages were used to achieve objectives I; objective II was achieved using livelihood status index (Mohammed *et al.*, 2019). This was measured by presenting the list of 38 likely accrued benefits from saving mobilization scheme including physical assets such as block made houses, land (hectares), mattress, tables, chairs, power tiller, radio, sewing machine, cattle, goats, sheep, ox plough, watch, television, telephone, weighing scale, water pumping machine. Social benefits such as improve productivity, encourage knowledge sharing, promote access to credit, improved wellbeing, relationship developed and strengthened, increased income generation activities and promote diversification. Financial benefits such as inflow of money, bank deposits remittances, availability of cash, income, human capital; education, skills, health, labour and knowledge. Livelihood index was obtained using the model as:

$$LSI = \frac{\text{Number of livelihood factors benefited by ith respondent}}{\text{Total number of livelihood benefits}} \dots(1)$$

where;

LSI = Livelihood status index

The categorization is stated as:



≤ 0.25 = very low livelihood; 0.26-0.49 = low livelihood, 0.50-0.75 = moderate livelihood and > 0.75 = high livelihood. Objective iii was achieved using Ordinary Least Square regression.

The algebraic specification of the ordinary least square regression model is given as:

T_i = (β₁ x₁) + e ... (2)

where;

T₁ = participation scores in saving mobilization scheme of the ith farmers.

X₁ = the vector of explanatory variables of probability of ith farmers' participation in saving mobilization scheme.

β₁= Vector of the parameter estimates of the regressors hypothesized to influence the probability of farmer's participation in saving mobilization scheme.

e = Error term

Thus, implicit form of the linear specification for the ordinary least square model is given as:

Y = f (X₁, X₂, X₃, X₄, X₅, X₆, X₇, X₈, X₉, X₁₀, X₁₁, X₁₂, X₁₃) ... (3)

The explicit form is expressed as:

Y = α + β₁ X₁ + β₂X₂ + β₃X₃ + β₄ X₄ + β₅X₅ + β₆X₆ + β₇X₇+ β₈X₈ + β₉X₉ + β₁₀X₁₀ + β₁₁X₁₁+ β₁₂X₁₂ + β₁₃X₁₃ +e ... (4)

where;

Y as dependent variable = participation scores;

α = constant;

β₁ – β₁₃ = Parameters to be estimated;

X₁ – X₁₃ = independent variables;

where;

X₁ = Age (years);

X₂ = Marital status (married=1, otherwise = 0);

X₃ = Household size (number of people);

X₄ = Education (number of years spent in school);

X₅ = Primary occupation (Farming = 1, otherwise = 0);

X₆ = Farming experience (years);

X₇ = Farm size (number of hectares cultivated),

X₈ = perception scores (total perception scores);

X₉ = Membership of cooperative (Yes = 1, No = 0);

X₁₀= Training on SMS (Yes = 1, No = 0);

X₁₁ = Extension contacts (number of visits);

X₁₂= Access to credit (Yes = 1, No = 0);

X₁₃ = Annual income (Naira);

e = Error term.

RESULTS AND DISCUSSIONS

Level of Participation in Savings Mobilization Schemes

The level of participation of rural women in informal and semi-formal methods of savings in Benue State are common practices among the respondents. The results in Table 1 revealed that, women commonly save money through esusu (X̄ = 3.60), weekly thrift contribution (X̄ = 3.45) as well as production and marketing cooperative (X̄ = 3.14). These



patterns of saving scheme suit low-income earners with fairly large family responsibilities which is a common attribute of rural women in Benue State. Basically, distance, location of banks, high-level of bank formalities, lack of education and excessive minimum balance requirement may have also been the hindrance in the formal financial saving among the respondents. Rural women preferred savings at home in boxes where they can easily access fund to meet their needs rather than having to wait a long queue and end up signing check to secure their own money. This assertion is in line with the findings of Haggblade *et al.* (2010) who stated that savings through informal and semi-formal methods is the most trusted means of ensuring the continuous flow of money among the rural people.

Table 1: Level of participation of rural women in SMS in Benue State

SMS patterns	Examples of SMS	A	F	S	N	WM	Rank
Informal	<i>Esusu</i>	88(64.2)	46(33.6)	0(0)	3(2.2)	3.60	1 st
	Saving at home	50(36.5)	58(42.3)	26(19.0)	3(2.2)	3.13	4 th
	Daily thrift contribution	23(16.8)	96(70.1)	15(10.9)	3(2.2)	3.01	5 th
	Weekly thrift contribution	108(78.8)	6(4.4)	0(0)	23(16.8)	3.45	2 nd
	Monthly thrift contribution	14(10.2)	52(38.0)	6(4.4)	65(47.4)	2.11	7 th
	Individual saving collector	0(0)	20(14.6)	52(38.0)	65(47.4)	1.67	9 th
Semi-formal	Production and marketing Cooperative	92(67.2)	7(5.1)	3(2.2)	35(25.5)	3.14	3 rd
	Savings and credit cooperative	15(10.9)	9(6.6)	43(31.4)	70(51.1)	1.77	8 th
	Village saving and loan association	6(4.4)	11(8.0)	28(20.4)	92(67.2)	1.50	11 th
	Rotating savings and loans	0(0)	12(8.8)	34(24.6)	91(66.4)	1.42	12 th
Formal	Commercial banks	7(5.1)	59(43.1)	19(13.9)	52(38.0)	2.15	6 th
	Micro Finance bank	0(0)	20(14.6)	30(21.9)	87(63.5)	1.51	10 th

Note: A= Always, F= Frequent, S= Sometimes, N= Never, WM= Weighted Mean, % in parenthesis, Decision rule: ≥ 2.5 = Highly participated and < 2.5 = Low level of participation.

Source: Field survey, 2020

Rural Women Livelihood Status Before and During Participation in Savings Mobilization Scheme

Table 2 revealed that 52.6% had high livelihood status during participation in saving mobilization schemes while 29.9% had low livelihood status during participation. This implies that women enjoyed increase in livelihood status during their period of participation in saving mobilization schemes. Rural households rely on available physical assets, financial assets, personal freedom, security and satisfaction in order to enhance their livelihood endeavours (Arua, 2013; Miranthen *et al.*, 2014). This finding is in line with that of Mohammed *et al.* (2019) who reported that majority of farmers in Niger and Kogi States had improved livelihood status due to their high involvement in saving schemes.



Table 2: Women livelihood status before and during participation in SMS (n = 137)

Livelihood status	Livelihood class	Before (%)	During (%)
Very low	0 – 0.25	0	16.0
Low	0.26 – 0.50	46.0	29.9
High	0.51 – 0.75	52.5	52.6
Very high	0.76 – 1.00	1.5	1.5

Source: Field survey, 2020

Factors Influencing Level of Women Participation in SMS

The result from Table 3 showed R^2 of 0.2177 implying that about 21% of variations that occur in savings mobilization scheme were explained by the independent variables included in the models while the remaining 79% could be due to other extraneous variables not included in the model and error in measurement of some variables. The F-value of 1.71 was significant at 10% level of probability. Thus, indicating the goodness of fit of the overall models. Age of the women was found to be positive and significant at 1% level of probability. This implies that as age increases, the probability of women participating in saving mobilization schemes also increases perhaps due to need to preserve the family during hardship and difficulties. In most rural culture, age comes with responsibilities especially, family welfare during the off seasons. This assertion agrees with the findings of Ahungwa *et al.* (2013) who found savings to be a common practice among the elderly due to their family responsibility. Marital status was positively significant at 5% level of probability, implying that married women from Benue state enjoys higher participation in saving schemes perhaps due to the need to guide against lacking days particularly during the off season when family nourishment may be threatened. This result is in line with the finding of Akudugu *et al.* (2012) who also reported a direct relationship between marital status and women willingness to save in order to meet future family expenditures. With regard to women household size, the study established a positive relationship between household size and level of participation in saving mobilization schemes among women. By implication, increase in household members is synonymous to increase in the family labour force which is a major requirement to earning more income among the rural people thus, enhancing the amount saved for future family expenditure. Furthermore, the study established an inverse relationship between years of education and women participation in saving mobilization scheme at 1%. This implies that women in the area were empowered with high level of formal education hence, decided to re-invest their money rather than save as a means of ensuring family income security. This assertion is in line with the findings of Patrycja (2017) who revealed that rural farmers with credit rarely participate in saving schemes due to the risk of not being a loan defaulter.



Table 3: Factors influencing women participation in SMS (n = 137)

Variables	Coefficient	Standard error	P> t
Age	0.050444	0.014779	0.001***
Marital status	0.57432	0.277794	0.041**
Household size	0.073597	0.030662	0.018**
Years of education	-0.9544	0.12689	-0.000***
Primary occupation	-0.34061	0.263396	-0.198
Farming experience	0.038114	0.053389	0.477
Farm size	0.007827	0.038989	0.841
Perception	-0.02753	0.017621	-0.121
Member of cooperative	0.432058	0.164947	0.010**
Training on SMS	0.208967	0.189134	0.271
Extension visits	-0.03776	0.052961	-0.477
Access to credit	-0.08612	0.045869	-0.063*
Annual income	-0.19702	0.16165	-0.225
Constant	0.277135	0.443776	0.533
Number	137		
F-value	13.12		
Prob> F	0.0000***		
R-squared	0.5810		

Note: *implies significant at 10%, ** significant at 5% and ***significant at 1
Source: Field survey, 2020

CONCLUSION AND RECOMMENDATIONS

It was concluded that more than half of the respondents had high livelihood status during SMS. Also, the coefficient of age, marital status, household size, years of education, member cooperative and access to credit have influence on women level of participation in SMS. It is recommended that women should diversify in other sustainable income generating activities in order to enhance their livelihood status. Also, women should source for credit from viable and credible institutions to ensure sustainable livelihood. Extension officers should sensitize women on the importance of SMS in the study area especially on the likely benefits to gain in participating in SMS.

REFERENCES

Adams, A. M., Rabbani, A., Ahmed, S., Mahmood, S. S., Al-Sabir, A., Rashid, S. F. and Evans, T. G. (2013). *Bangladesh Innovation for Universal Health Coverage*, 4: 11.

Ahungwa, G. T., Umeh, J. C. and Muktar, B. G. (2013). Empirical Analysis of Food Security Status of Farming Households in Benue State, Nigeria. *Journal of Agriculture and Veterinary Science (IOSR-JAVS)*, 6(57-62), 2319-2380

Agbo, F. U., Iroh, I. I. and Ihemezie, E. J. (2015). Access to Credit by Vegetable Farmers in Nigeria: A Case Study of Owerri Agricultural Zone of Imo State, *Asian Journal of Agricultural Research*, 9 (4), 155-165.

Akudugu, M. A., Dittoh, S, and Mahama, E. S. (2012). The Implications of Climate Change on Food Security and Rural Livelihoods: Experiences from Northern Ghana. *Journal of Environment and Earth Science*, 2(3), 2224-3216.



- Arua, E. O. (2013). *Cooperative Principles and Methods, Research Report*. Department of Agricultural Economies, University of Nigeria. Nsukka.
- Global index (2017). *Global index database report*, 71Pp.
- Haggblade, S., Hazell, P. and Reardon, T. (2010). *The rural non-farm economy: Prospects for growth and poverty reduction*. World Development 38(10), 1429–1441. doi: 10.1016/j.worlddev.2009.06.008.
- Mohammed, U., Umar, I. S., Olaleye, R. S., Salihu, I. T., Tsado, J. H. and Pelemo, J. J (2019). Effect of Forest Resources Utilisation on Livelihood of Rural Farming Populace in Kogi and Niger States, Nigeria, *Journal of Agriculture and Environment Faculty of Agriculture, Usmanu Danfodio, Sokoto*, 15 (1), 77-86.
- Miranthi, P. E., Suwarsinah, H. K. and Adhi, K. A. (2014). Determinants of Household Food Security: A Comparative Analysis of Eastern and Western Indonesia. *Indonesia. Journal of Agricultural Science*, 15(1), 17-28.
- National Bureau of Statistics [NBS] (2019). Available online: Retrieved from <http://nigeria.opendataforafrica.org/xspplpb/nigeria-census>: Last updated: Tuesday, 31 May 2019.
- Noko, E. J. (2016). “*Economic Recession in Nigeria, Causes and Solution*. Retrieved from [educacinfo.com/economics recession-Nigeria](http://educacinfo.com/economics-recession-Nigeria), April 16, 2019.
- Patrycja, K. (2017). Gender-Based Violence in Northern Nigeria: The Context of Muslim and Christian Women’s Rights. *Hemispheres Studies on Cultures and Societies*, 32, 41-54.
- World Bank (2014). “*Working for a World Free of Poverty*.” Washington, DC: Global Financial Development Report World Bank. <http://www.worldbank.org/financialdevelopment>.
- Powered by Scholastica, the modern academic journal management system.