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**ASSESSMENT OF BANKING BEHAVIOUR AMONG RURAL HOUSEHOLDS IN
SOUTHWEST NIGERIA**

A

Thesis

SUBMITTED TO THE DEPARTMENT OF AGRICULTURAL ECONOMICS AND
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**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF
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DEDICATION

I dedicate this research work to the God Almighty, the one that rules the affairs of the whole world for his saving, sustaining, supplicating and sufficient grace in my life. Also to my articulate, indefatigable, dedicated, caring and ever-loving parents Presiding Elder & Deaconess M.A Shitu.

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ABSTRACT

Rural households are characterized with various systems of banking methods. This involves process of savings their money, sourcing for funds and lending money to boost their productivity as well as improving their standard of living and general well being. In this vein, the study assessed the banking behaviour of rural households in southwestern Nigeria. The methodology adopted involved the use of well structured questionnaire for collection of information on factors that influence banking behaviour among rural households in southwestern Nigeria. A total of 300 questionnaires were administered.

Descriptive statistics such as percentage and frequency distribution were used to analyze the data on socio-economic characteristics of the rural households. Probit regression analysis was used to analyze their relationship between the choice of mobile bankers (*Ajo*) and socio-economic characteristics of the respondents. The result shows that there is negative correlation between the sex of the respondents, age, years of formal education, household's size, livestock production and savings in convectional banks while marital status, cash crop production, arable crop production, artisan and traditional leadership had a positive correlation. Sex, age and saving in convection bank are significant at 1 percent, marital status and years of formal education are significant at 5 percent while Traditional leadership is significant at 10 percent. The study recommended that unorganized rural banking methods should be strengthened through government intervention so as to guide their activities. Also Microfinance banks should extend their operational unit to the rural areas so as to bridge the gap between the formal and informal rural financial institutions. There should be awareness on the relevance of conventional banks to rural development and convectional banks should extend their operation unit to rural households by making use of the unorganized rural banking systems.

Keywords: Assessment, Banking Behaviour, Rural household and unorganized banking

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

United Nations (2004) reported that the world population is currently estimated to be over 6 billion of which about 52 percent resides in rural areas. Rural areas are blessed with abundant mineral resources most of which are yet to be exploited (Agbonoga 1998). At the beginning of this millennium, poverty was estimated to affect 1.5 billion people in the world. (UNDP, 2008). Africa's share of this global poverty is monumental as over 400 million Africans which are about 50% of the continent's populations are living below one dollar a day poverty line.

In Nigeria, it was also estimated that 70% of the total population resides in rural areas and over 80% of these rural households are engaged in agricultural pursuit and they depend majorly on farming and related activities as their source of livelihood. (Akinola and Aloba, 1994). One of the major constraints to rural development is the problem of the inadequate financial capital which has a greater influence on level of productivity and general well being of the rural household. Adebayo and Adeola, 2007 reported that the relevant of the financial institution (banks) in the rural areas are to enhance productivity and promotes standard of living by breaking the vicious cycle of poverty in the rural areas. Over the years, Government has rendered many efforts to address the issue of Agricultural financing and improving rural household's standard of living there by increasing Agricultural productivities. This entire attempt has given birth to so many Agricultural policies.

However, one of these policies is the Central Bank of Nigeria rural Banking policies of 1977 and this was to bring banking services to rural household whose main economic activities

are Agriculture. Bank is a commercial institution that takes deposits from and loan to individuals and organizations. All banks are concerned mainly with making and receiving payments on behalf of their customers, accepting deposits and making loans to private individual companies, public organizations and governments. Banks also provide money transmission and other monetary intermediation services to their customers (Okoye and Opkpala, 2008). According to Oke (2000), banks dominant position in mobilizing saving gives them a lead role in allocating credit and this centrality has made banks magnet for government control.

The term bank and banking do not lend themselves to precise definition as reaction is that a great variety of financial institutions participate in fulfilling one or more of the operation generally regarded as banking functions. Rural household are characterized with various methods of banking. This involves process of saving their money and lending for improvement of their standard of living and general well being. The roles of banks either formal or informal cannot be over emphasized in that they perform intermediate functions between savers and those in need of credits (Smiths, 2002).

Rural banking system in Nigeria is dualized (Iganiga and Asemota, 2008) in that it consists of formal banking system which are organized (formal financial institution) and informal banking system (Unorganized or informal financial institution). Formal banks whether in developed or developing economy like Nigeria operates under the regulation and supervision of Central bank of Nigeria (CBN). Donli, 2007 reported that formal institution consist of financial intermediation and provision of an efficient payment system which are properly organized and served as conduct for the implementation of monetary policies. On the other hand, indigenous banks or unorganized financial institution consist of all banking activities that are not regulated or supervised by CBN (Ernest, 1996). According to World Bank report (1997), the

unorganized financial institutions and scheme include Professional money lenders, Part-time money lenders, Esusu or Isusu collectors, credits unions and cooperatives societies. The patronages of all this banking systems are encouraged and necessary to boost and improve Agricultural productivities and other related activities of rural households and in other to improve the poverty status as well as their standard of living.

1.2 STATEMENT OF THE PROBLEMS

Rural households are generally characterized by poverty. This has over the year affects their Agricultural and other livelihood activities. Major factor that have contributed to rural household poverty is inadequate financial capital to carry out their livelihood activities. Before the inception of conventional financial institution rural households have been involving in saving, borrowing and lending activities. This indigenous banking system needs to be identified and the rate at which rural households still make use of them need to be determined. Also their involvement in conventional banking system need to be studied and the factors that influence which type of banking system employed by rural households is also important in the study.

For the forgone reasons, the following research questions emanate:

- what are the socio-economic characteristics of the respondents?
- What are the banking methods they use?
- What are the relationship between socio-economic characteristics and banking methods?
- What are the constraints facing rural households in their choice of banking methods?

1.3 OBJECTIVES OF THE STUDY

The general objective of the study is to assess banking behaviour among rural households in southwestern Nigeria.

The specific objective is to;

- (i) Identify the socio-economic characteristics of the rural households.
- (ii) Identify Banking methods of rural households.
- (iii) Identify the constraints facing rural households in their choice of banking methods.
- (iv) Determine the relationship between socio-economic characteristics and the choice of banking methods of rural households.

1.4 LIMITATION OF THE STUDY

During the course of the study, high level of illiteracy of the rural dwellers was a major problem encountered and questionnaire had to be interpreted to them. This makes data collection activities tedious and time consuming.

1.5 DELIMITATION OF THE STUDY

The respondents of the study are the rural households in south western region of Nigeria. Due to the large number of rural dwellers in the study area and duration of the study, all the villages in the study area were not covered due to factors like money, materials and facilities needed for the study as well as man power for collection of data; hence two states were selected randomly and sampled for the study. These are Ekiti and Oyo states.

1.6 JUSTIFICATION OF THE STUDY

There is no gainsaying in the fact that rural finance serves as the cornerstone of rural economy development in that there could no be smooth sailing of economy activities without the continuous flow of money and credit. This shows that the relevance of banks and financial systems in the economy development of any nations cannot be overemphasized. The abundance of resources within the country resides in this rural and most of the time unexploited or under utilized as a result of vicious cycle of poverty that have bed ridden the economic activities of the rural areas. This at the long run resulted in low Agricultural productivities as well as unproductive nature of rural enterprise in the rural areas. This in turn has greatly affected their livelihood and means of living. This brought to mind the importance of the study, hence the necessity for this study.

CHAPTER TWO

LITERATURE REVIEW

2.0 CONCEPT AND DEFINATION OF BANKING BEHAVIOUR

2.1 ORIGIN OF BANKING (BANKING ETYMOLOGY)

Bank is simply defined as comprehensive term for a number of institutions carry on certain kind of financial business (Hampson, 1986). Prior to the development of modern banking, rare precious metals like gold and other valuables materials were kept in such places as temples or places of worship for safety reasons. The practices were very common in ancient Rome, Mesopotamia, Greece, china, Japan and so on. With the emergence of money economy and development of large scale trading, precious metals came into circulation. These metals first appeared in number of coins of different origins. Since some of them have to be exchanged this became the business of the money changer.

Etymologically, bank is an Italian word called the banda or banco meaning desk or beach on which the money changers carryout their operation. This led to the fact that made money changers the first bankers in the ancient world. The primary modern bank was founded in Italy in Genoa in 1406; it was called Bandi san Giorgio meaning the bank of Saint George.

2.2 DEFINATION OF BANKING

According to the bills of exchange act of 1882 in United Kingdom, banks were been describe to include a body of persons whether incorporated or not who carried on the business of banking. Also, the 1969 banking act and the banking (amendment) decree 3 of 1990 defined banking business as the business of receiving money from outside sources as deposits irrespective of the payment of interest, and the granting of money loans and acceptance of credit

or the purchase of bill and cheque. Also the purchase and sales of securities for the account of others or the incurring of the obligation to acquire claims in respect of loans prior to their maturity or the assumption of guarantees and other warranties for others or the effecting of transfer and clearings, and such other transactions as the commissioner may on the recommendation of the central bank, by other published in the federal Gazette designate as banking business. (Oloyede, 2006)

They are also know as those institutions that keep deposits and render payment mechanism as well as offering advisory services to their customers. They create money in the economy and thereby assist in the effectiveness of monetary policy.

2.3 POVERTY AND RURAL HOUSEHOLDS SAVINGS

World Bank (2008) reported that three out of every four poor people in developing countries live in rural areas. It was further estimated that over 70% of Africa population resides in rural settings which are poverty stricken. Poverty defies objective definition because of its multi-dimensional nature. It has no geographical boundaries; it is present in the north, south, west and east. World Bank (1990) defined poverty as the inability to attain a minimum standard of living. According to German governments description, poverty is a condition in which poor people “those who are unable to live a live which defined poverty as not having enough to eat, a high rate of infant mortality, a low life expectancy, low educational opportunity, poor water, inadequate health care, unfit housing and a lack of active participation in the decision making process.

William et al (1993) describe rural house holds as families, settled and dwells in rural areas which have overtime continue to function in a predominantly conservative style. They are those households living in places with fewer than 25,000 residents or what has been called open

countryside. In Nigeria, poverty level of rural households has been described as pathetic. Despite the plentiful resources and oil wealth, poverty is wide spread beyond measure. To worsen the whole situation, rural poverty tends to be evenly distributed across the country rather than concentrated in specific geographical areas. Over 70% populations of rural households are classified as poor while 35% of them are living in absolute poverty. Poor population possesses the capacity to implement income generating activities, but the main limitation to their initiative is the lack of access to capital to boost their productivity.

Moreover, the gap between the rich and the poor masses are getting wider everyday, the rich people are getting richer while the poor households are getting poorer. This in turn affected greatly the savings attitude of the rural households. Rural households savings are not encouraging in that greater percentage of their income are expended on food which are now becoming to expensive to purchase in rural market. According to Narayan et al (2000), most rural households are crumbling under the weight of poverty. While some households are able to remain intact many others disintegrate as Men, unable to adapt to their failure to earn adequate incomes under harsh economy circumstances, have difficulty accepting that women are becoming the main bread winners that necessitates a redistribution of income within the households. This menace of poverty has greatly affected the savings rate of rural households as well as their general well being.

2.4 RURAL HOUSEHOLDS BANKING SYSTEM

Rural households are characterised with various system of banking. This involve process of saving their money, sourcing for funds and lending money to boost their production as well as improving their standard of living and general well being. This banking system is known as rural financial intermediaries which are generally classified into two major institutions. Iganiga and

Asemota (2008), describe them as formal rural financial institutions (FRFIs) and informal rural financial institutions (IRFIs). This description is necessary in view of the scope of the study as well as explaining the observed relationship between these institutions.

FORMAL RURAL FINANCIAL INSTITUTIONS (FRFIs)

Formal rural financial institutions (FRFIs) in Nigeria are financial institutions under the supervisory of the apex bank (CBN). They are highly organized and their activities are regulated by apex bank. This institution includes conventional banks, microfinance banks and Nigerian Agricultural Cooperative and Development Bank (NACRDB). Lawal (1994), reports that these institutions are concerned with the accumulation of the temporary idle money of the general public for the purpose of advancing it to others for ex banking and credit.

Conventional Banks

This refers to commercial and merchant banks each with regulatory frameworks to guide its operation. They are known as formal financial institutions and they perform various functions ranging from acceptance of deposit from the public and corporate bodies, granting of credit and operation of the payment and settlement mechanisms (Oke, 2002). They are characterized with low interest in mobilizing rural savings and small scale deposit. They have complex administrative procedures which are beyond simple and straight forward to the understanding of rural households.

Microfinance banks (MFBs)

Microfinance banks were established in Nigeria in 2005 for the purpose of providing economically active poor and low income earners financial services, to help them engage in income generating activities or expand their business. They are mainly set up to proffer solutions

to problems of rural finance accessibility which characterized the rural areas of Nigeria. Over the years, rural finance accessibility has been recognized as a major constraint to rural enterprise. Most rural borrowers and enterprises rely on very limited resources of the owners themselves and the assistance of relations and friends for their financing while some economically active rural people patronize the money lenders who are the traditional credit institutions. MFIs major target is to provide a means to solve this problems by giving them opportunity to hold a savings account, to borrow money for the expansion of their enterprise, to transfer money from one part of the country to another as well as enjoying micro leasing, microfinance and advisory services.

Nigerian Agricultural cooperatives and Rural Development Banks (NACRDB)

The NACRDB formally NACB was established in 1973. It was restructured, recapitalized and merged with the family economic advanced programme (FEAP) and people's Bank in 2003 in order to improve access to credit by farmers and rural dwellers. The Bank participated in Agriculture and rural developments by making provision for affordable credit facilities to less privileged segments of Nigerian society who cannot readily access the services of conventional banks, acceptance of savings deposits from customers and payment of the same with accrued interest as when due, provision for self employment in the rural areas thereby reducing rural urban migrations, inculcation of banking habits at the grassroots of Nigeria society as well as fostering an accelerated growth and development of the agricultural and rural economy.

INFORMAL RURAL FINANCIAL INSTITUTIONS (IRFIs)

The concept of informal rural financial institutions describes those financial activities often unrecorded but takes place outside official financial institutions and consequently

unregulated. They are as old as various communities and popularly describes as indigenous financial systems. They are also described as informal rural households banking systems. Their activities cover all various transactions that take place beyond the scope of formal banking regulatory body in the country (Aryeetey, 1998). Moghaddas et al, 2008 saw them as financial institutions that are not directly amenable to control by key monetary and financial policy instruments. They are created by individual or organization with no legal status.

The lack of formal banking facilities underpins the development of rural areas to a very large extent. This has serious implications for a country like Nigeria where the economy is largely characterized by Micro and Scale Enterprises (MSEs). The frustrations of accessing credit facilities from formal systems compel the poor and informal business enterprises to resort to different non-banking and informal arrangements to access funds for their operations. The informal financial systems commonly assist rural households particularly, market traders, house wives and artisans to accumulate funds through daily or weekly deposits that are returned at the end of a specified period minus a small fee (World Bank, 1994). Informal financial institutions that operate outside the scope of banking laws and regulation in Nigeria include traditional savings and credit association (TRASCAS) which are sub divided into rotating savings and credit association (ROSCAS) popularly known as “Esusu” and Non-rotating savings and credit association (Non-ROSCAS) popularly known as “awidodun” in southwestern region of Nigeria, mobile bankers (MBs) popularly known as “Ajo ojoojumo” meaning daily savings enterprises, professional money lenders and co-operatives and credit union.

Traditional Savings and Credit Association (TRASCAS)

TRASCAS is one of the oldest and most common informal rural households banking system. It comprises members who agreed to make regular fixed cash contributions into a

common fund or pot at regular intervals. TRASCAS most often are highly localized, relatively homogeneous and delimitation of membership profile along gender, age, neighbourhood, occupational criteria and relationship outside those involving financial intermediation. This feature facilitates social sanctions and group pressure that is often needed to enforce members' regular participation and discourage savings delinquency and loans default. Group homogeneity tended also to diminish the possibilities of wide disparities in status and financial abilities of members. Since members interacted frequently in social and economic spheres within the community and enjoy social proximity and personal knowledge of one another, the problem of information asymmetry and transaction (screening, monitoring and enforcement) costs that so often beset formal finance are insignificant.

TRASCAs do exhibit risk-consciousness in the size and growth of membership. Since the degree of social cohesion between members diminishes as the size of the group increases, both types of associations avoided membership size considered to be "too small" or "too big". If the rotating TRASCAs are unduly small, the per capita benefits of joint savings or co-operation could be too small to repay the efforts of joining and also that it would be more devastating to a small group if a member dropped out. On the other hand, if the group is too large, members would wait too long for their turns, benefits would become thinly spread, interpersonal communication and moral bonds become thinner with potential increase in moral hazard (Eboh, 2000). Also, because each member of a large group losses very little by the non-co-operation or default of one other, there is little incentive to pressurize the defaulted member (Simpson, 1992). The crucial nature of size factor as a principal risk man against instrument among TRASCAs was underscored by the fact that new admissions were decided only collectively and unanimously.

Rotating savings and credit association (ROSCAS) “Esusu”

This is rotating form of TRASCAs and it can be found all over the world with different names in different region and countries (see appendix). It is one of Africa’s most ancient traditional banking systems which have over the years been the mode of fund mobilization for initiation, sustenance and in most cases development of rural areas. Alaba et al, (2007), describe “esusu” as a form of banking because it is a system of trading in money which involves regular and periodic collection of fixed amount of deposit that are made available to the owner after a specified period of time or when required or borrow within the scheme at a fee. The savings are accessed after a period of time for purchasing tools and equipment necessary for setting various artisans up in their vocational practices.

Artisans who normally benefit from these include tailors, hairdressers, fitting mechanics, carpenters and arable crop production farmers among others. For many petty traders, market women, apprentices and artisans, “esusu” is believed to have been a trusted, reliable and friendlier means of getting started and also for sustenance as well as growth of their businesses. “esusu” in some cases is believed to be the sole source of getting established for livelihood (World Bank,1994). Barclays Ghana calls it the “Ghanaian Micro-finance” and describes it as an unconventional mobile initiative which extends micro-finance to the least affluent in Ghanaian society. Barclays further noted that a truly financially inclusive society can only be achieved by supporting existing, indigenous financial institutions that already provide financial services.

“Esusu” was reported to have originated from Yoruba tribe in the south western region of Nigeria. This Institution is ancient, dating back at least to the 16th century, when Yoruba slaves carried it to the Caribbean, as part of their institutional luggage or social capital. It is commonly called by south western region as “awiko” meaning that the money contributed is given to one of

the members at the end of the agreed period say a week. Both the term “Esusu” and the practice have persisted to this day, as “Esu” in the Bahamas, “susu” in Tobago or Sou in Trinidad” (Seibel, 2001). The Institution exists all over West Africa as well as in many other parts of the world, where it is an integral part of the local microfinance and referred to with its own vernacular term. “susu” in Ghana, Nago in Ivory Coast, Yesyes in Southern Togo, and Jojuma among the Kotokoli in Central Togo (ibid), “asusu” in Benin, osusu in Gambia and so on.(see appendix for more).

Non- rotating saving and credit association (Non-ROSCAS) “Awidodun”

This is another form of TRASCAS. It usually operated upon core participants who agreed to save regularly on contracted terms with the savings used for members and or non-members. The savings fund was generated through a variable cash contribution system whereby individual members were free to make deposits over and above the set minima, according to his/her financial ability during the meeting period. Savings/deposits by individual members were pooled and kept by the treasurer at home or in an account with a formal financial intermediary at the end of a pre-agreed period, mostly one year; the fund was shared among members according to their contributions; and with interest amounts in proportion to the total savings/deposits contribution by the member.

In southwestern region of Nigeria, this type of rural informal banking systems is usually refers to as “**Awidodun**”. It is usually practiced by rural women; they make use of their family meeting, church meetings and many a times they make use of their club associations to carry out the practices. The meetings may be weekly, fortnight or monthly based on financial status of the members.

Mobile Bankers (MBs) “Ajo ojumo”

This is one of the modern unorganized financial schemes, existing both in the rural and urban areas. They are also describes as “Ajo ojumo” meaning Daily Savings Enterprises (DSEs). Evidence about this form of financial scheme is more prevalent in semi-urban areas. It is usually referred to as mobile banking system. It is a type of personalized banking involving the money collector (banker) and his or her clients. The mode of operation is very simple. It requires the collector (banker) to design a card backed up with a big note book which carries the name of savings collecting agency its address and the name of the collector (and, if possible, his or her passport photograph).

The card and the notebook also carry the name, village or ward, local government area and passport photograph of the depositor. It also contains 31 or 8 separate boxes relating to the days of the month or markets. The operation of the system involves the following:

- (i) the card is handed over by the collector to the client
- (ii) the client and the collector agree on a daily or weekly amount to be paid as savings
- (iii) at the end of the month (or as agreed upon), the collector would return the amount contributed after deducting his charge for the service. The collector and client would then endorse the portions provided for collectors’ signature together with the amount paid to the client. All details of the transaction would be entered on the card and notebook and dated. The notebook acts as a backup in the event of missing card.

On the whole, the arrangements do work well, especially when the collector is highly meticulous and trusted and he or she must have a good reputation in order to alley the fear of his or her absconding with other people’s savings. Flexibility and simplicity are the major attributes of this financial scheme. The collector must be familiar with the rural economy and the calendar

of activities of the clientele. This enables the collector in scheduling activities appropriately. For instance, it could be agreed that savings be deposited one or twice a week, corresponding to market days, though it can be spread over longer period. Contributors are mainly teachers, junior staff of ministries and unemployed ladies and housewives and retired civil servants.

Professional Money Lending Schemes (PMLs):

Financial intermediation is the mobilization of capital from savers to the deficit areas of the economy. Professional moneylenders are individuals with enough capital mobilized from different sources including their personal savings to meet other people financial needs. It is very common in semi-urban areas where civil servants habit with persist delay of salaries and constant strike. It is a typical sole-proprietorship where the lender dictates the pace and term of the credit.

The operation involve in this type of informal financial scheme include:

(i) the borrower approached the lender in his home or office and the term of the credit is reached.

(ii) interest paid on certain amount is usually fixed and varies from one lender to another.

Usually, 25 percent for every N1, 000 borrowed.

(iii) at the end of every 30 days (one month) the borrower is expected to pay the specific interest and part of the capital.

(iv) collateral securities accepted include landed property documents, electronics, certificates, cheque books and a guarantor.

(v) at the end of the transaction, agreement form may be signed by both parties including the guarantor. Some lenders specialized in buying durable items like motorcycle and vehicle, which, they give out on “balance and carry” basis, with the cost price being, multiplied by 2, thus making the borrower to pay 2 times the amount of the item.

Loans granted by these lenders are mostly small-sized quick maturing, rapidly accessible, self-proliferating, profusely spread and flexibly rescheduled. They often restrict their loans to sub annual duration, mostly in the range of 1-3 months.

Co-operatives society and credit union

Co-operative ideas began with the Rochdale Pioneers who started the 'Rochdale Equitable Pioneer Society in 1844'. This was the first Co-operative Consumers Society. Early history of the co-operation showed that the idea germinated in other countries like Germany, Italy, Sweden, Japan and India. In almost all the countries mentioned, co-operation was born out of extreme weight of poverty, exploitation and the widening gap between the rich and poor.

In Nigeria some forms of co-operatives have been in existence long before the idea of co-operative movement was formalized. These informal co-operatives were established for mutual help among members at village level particularly for cultivation of farm land and harvesting. The development of co-operative was influenced by government policies. The co-operative movement was formalized in 1936, when a Co-operative Law was passed. The basic unit of co-operative movement is the primary society organized at village level. The administration for the societies is entirely in the hands of the members themselves. The early co-operative societies were primarily marketing societies interested in cocoa marketing. But with development, other types of co-operatives have been established which are Consumer Societies, Credit Societies, Thrift Societies, Group Farming Societies, Agricultural Manufacturing Societies. They all engage in rural financial transactions and form a means of capital accessibility for rural households.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 MEANING OF METHODOLOGY

Methodology can be defined as the procedure and other research activities as well as method employed during the course of research study. It is a body of knowledge that describes and analyses methods indicating their limitation and resources, clarifying their presupposition and consequences and relating their potentials to research advances. (Miller, 1991). It is also regarded as set of method and principles used to perform a particular activity.

The chapter encompasses area of study, sampling techniques, method of data collection, sample size, test for validity and reliability of instruments and method of data analysis

3.2 AREA OF THE STUDY

The study was carried out in southwestern geopolitical zone of Nigeria. The zone has six (6) States which are Ekiti, Oyo, Osun, Ogun, Ondo and Lagos. The Southwestern region of Nigeria is a homogeneous in culture and populated by the Yoruba ethnic group and hence unified by a general language know as Yoruba. Although there are noticeable differences in the dialect of the Yoruba language spoken by different people across different States. This was as a result of influence by their spatial location and borders communities to other States.

South western zone of Nigeria is characterised with low land tropical forest types with distinct wet and dry seasons which favour the growth of varieties of food and cash crops. Culturally, Southwest Nigeria is among the richest in the federation in the variety and quality of its traditional arts and crafts such as pottery, calabash, carving, hair plaiting, and basket weaving. The major occupation of the people is farming as well as other agricultural related activities along with trading and craft specialization. According to national population census of 2006, the

zone has a total population of 27,511,992 with male having a number of 14,049,594 and female has 13,462,398.

3.3 POPULATION OF THE STUDY

The population for this study includes the rural households in the southwest of Nigeria

3.4 SAMPLING TECHNIQUES AND SAMPLE SIZE

Sampling techniques are methods of selecting the samples from the population (Omirin, 2008). According to Oladele, 2007, sampling can be defined as a process of selecting a portion, part, section, subset, segment or fraction from the entire population.

A multi-stage random sampling technique involves many stages and gives opportunity to reach the actual subject of a sample directly. It also involves division of entire population progressively into smaller groups according to principles of randomness until the final sampling unit is reached. (Osuagwu, 2002).

It was used in the course of the study because it gives opportunity for the entire population to be truly represented. This presupposes that element, persons or thing in the population has the same chance of being included and no one choice forces or determines another choice of being included in the sample and that no choice is predetermined by another.

A total number of 300 rural households were selected during the course of the study. Southwestern zone of Nigeria has six (6) States; the first stage of the sampling involves random selection of two (2) of six states (Ekiti and Oyo states). The second stage involves the division of the States into senatorial and selection of two (2) Local Governments areas in each senatorial district of the two states. The third stage involved random selection of two (2) rural communities in each Local Government Area. At the final stage, ten (10) rural households were selected in

each rural community. A total of 300 questionnaire were administered (i.e. Ekiti = 120, Oyo state = 180) and 274 questionnaire were returned.

3.5 METHOD OF DATA COLLECTION AND SAMPLING INSTRUMENTS

A primary data was employed in the course of the study. This was done by the use of well structured questionnaire. Also open discussion, interviews as well as physical observation were used to complement the data for accuracy and reliability. The sampling instruments involved socio-economic characteristics of the respondents, choice of banking methods and attitude of respondents towards conventional banking.

3.6 TEST FOR VALIDITY AND RELIABILITY OF INSTRUMENT

Every stage of the study was corrected by the lecturers in the department of Agricultural Economics and Extension services most especially my supervisor. The instrument was subjected to correlation analysis and a correlation coefficient above 0.83 shows that the instrument is valid and reliable.

3.7 ANALYTICAL TECHNIQUE

The data obtained from the respondents were subjected to descriptive and inferential statistical analysis. Inferential statistics such as probit regression was employed to determine the choice of mobile bankers as the banking methods of the rural households and also to determine the choice of unorganized/informal banking system as the banking method.

The general probit model is stated below

$$\text{Pr}(y=1) = \text{FB}_0 + \mathbf{X}_1\mathbf{B}_1$$

Pr = probability function.

$X_i = n \times k$ matrix of explanatory variable

$B_i = k \times 1$ vector of parameter to be estimated

F = cumulative probability distribution

Therefore, the probability of choice of banking method is a function of the vector of unknown parameters.

The specified choice of mobile bankers' model for the study is as follows.

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 \dots B_nX_n + E_1$$

Where,

Y is mobile bankers (Ajo ojoojumo) (dependent variables)

X_1, \dots, X_n are independent variables (socio-economic characteristics).

$X_1 =$ Gender (male = 1, female = 0)

$X_2 =$ Age (years)

$X_3 =$ Households size

$X_4 =$ Marital status (married = 1, non-married = 0)

$X_5 =$ Year of formal education (in years)

$X_6 =$ Cash crop production

$X_7 =$ Arable crop production

$X_8 =$ Saving in convection bank

$X_9 =$ Livestock production

$X_{10} =$ Traditional leadership

$X_{11} =$ Artisan

$B =$ Coefficient

$E_1 =$ error term.

CHAPTER FOUR

PRESENTATION, DISCUSSION AND ANALYSIS OF DATA

4.0 INTRODUCTION

In previous chapter, the methodology of the respondents which compasses both method of data collection and analysis were discussed. As a result of data collected and processed, this chapter is therefore concerned with the presentation of the result, analysis of data as well as discussion from the analysis of data collected from the field.

This chapter is divided into five sections for easy comprehension of objectives, starting with the socio-economic characteristics of the respondents, banking method of the respondents, attitude of the respondents towards constraints faced in their banking choice and last section is basically concerned with the probit regression which was employed to determine the choice of mobile bankers as the banking methods of the rural households and also to determine the choice of unorganized/informal banking system as the banking method.

4.1 SOCIAL ECONOMIC STATUS OF THE RESPONDENTS

The result of the socio-economic characteristics of the respondents are analyzed and presented below. The socio-economic characteristics of respondents considered include Age of the respondents, Gender of the respondents, Marital status of the respondents, Religion of the respondents, Educational status of the respondents, Household size, years of working experience, occupations of the respondents, choice of banking methods of the respondents, amount saved in each of the banking choice and attitudinal statements.

4.1.1 AGE OF THE RESPONDENTS

TABLE 4.1.1:FREQUENCY DISTRIBUTION OF RESPONDENTS BY AGE

Age	Frequency	Percentage of respondents
30 & below	132	46.5
31-45	59	21.5
46-60	40	14.6
Above 60	45	16.4
Total	274	100

Mean age = 40.7

SOURCE: FIELD SURVEY 2010.

From the table 4.1.1 above, the mean age was 40.7 and 46.5% of the respondents fall between 30 years and below and only 17.4% have their age fall between 60 years and above. The result of age analysis shows that majority of the respondents are still within the active age range.

4.1.2 GENDER OF THE RESPONDENTS

TABLE 4.1.2:FREQUENCY DISTRIBUTION OF RESPONDENTS BY GENDER

Gender	Frequency	Percentage of respondents
Male`	148	54.0
Female	126	46.0
Total	274	100

SOURCE: FIELD SURVEY 2010

The table 4.1.2 above shows that the Male has a percentage of 54.0 while the female counterpart has 46.0 percent of the total respondents.

4.1.3 MARITAL STATUS OF THE RESPONDENTS

TABLE 4.1.3 FREQUENCY DISTRIBUTION OF HOUSEHOLDS BY MARITAL STATUS

Marital status	Frequency	Percentage of respondents
Single	40	14.6
Married	228	83.2
Divorced	0	0.0
Widow	6	2.2
Total	274	100

SOURCE: FIELD SURVEY 2010

The table 4.1.3 above shows that 14.6 percent are single, 83.2 percent are married, 2.2 percent are widow while there is no case of divorced. This result implies that divorced might not common in rural households as a result of their family closeness and cultural believe that operate in rural areas.

4.1.4 EDUCATIONAL STATUS OF THE RESPONDENTS

TABLE 4.1.4: FREQUENCY DISTRIBUTION OF THE HOUSEHOLDS BY LEVEL OF EDUCATION.

Educational status (yrs)	Frequency	Percentage of respondents
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Never attended (0.0)	36	13.1
Primary (6.0)	58	21.2
Secondary (12.0)	100	36.5
Tertiary \geq 12.0)	80	29.2
Total	274	100.0

SOURCE: FIELD SURVEY 2010.

The table 4.1.4 above shows that 13.1 percent of the respondents never attended any formal school, 21.2 percent attended primary school, 36.5 percent are secondary school educated while 29.2 are tertiary educated. This implies that about three-quarter (3/4) of rural households has low formal education i.e. 70.8 percent of the total populace has education up to secondary school level. This shows that level of illiteracy in rural households is high and this may affect their choice of banking methods.

4.1.5 HOUSEHOLD SIZE OF RESPONDENTS

TABLE 4.1.5: FREQUENCY DISTRIBUTION OF HOUSEHOLDS BY SIZE

Households size	Frequency	Percentage of respondents
1-5	158	57.7
6-12	102	37.2
\geq 12	14	5.1
Total	274	100.0

SOURCE: FIELD SURVEY 2010.

The table 4.1.5 above shows that 57.7 percent of the household's sizes ranges between 0-5, 37.2 percent ranges between 6-12 while 5.1 percent has households size greater than 12.

4.1.6 YEARS OF WORKING EXPERIENCE

TABLE 4.1.6:FREQUENCY DISTRIBUTION OF HOUSEHOLDS BY YEARS OF WORKING EXPERIENCES

Years of working experiences	Frequency	Percentage of the respondents
0-10	139	50.7
11-20	51	18.6
21-30	42	15.3
31-40	15	5.5
41-50	25	9.1
≥50	2	0.7
Total	274	100.0

SOURCE: FIELD SURVEY 2010.

The table 4.1.6 above shows that 50.7 percent of the respondents have >10 years of working experience, 18.6 percent have working experiences between the range of 11-20 years ,15.3 percents have working experiences between the range of 21-30 years, 5.5 percent falls between the range of 41-50 years while 0.7 percent have working experience greater than 50 years.

4.1.7 RELIGION OF RESPONDENTS.

TABLE 4.1.7:FREQUENCY DISTRIBUTION OF HOUSEHOLDS BY RELIGION

Religion	Frequency	Percentage of respondents
Christian	175	63.9

Islam	92	33.6
Traditional	7	2.6
Total	274	100

SOURCE: FIELD SURVEY 2010.

The table 4.1.7 above shows that about 64 percent of the respondents are Christian while 33.6 percent practice Islamic religion; this implies that banking behaviour does not come in conflict with any religion.

4.1.8 INCOME GENERATING ACTIVITIES OF THE RESPONDENTS

TABLE 4.1.8:FREQUENCY DISTRIBUTION OF RESPONDENTS BY INCOME GENERATING ACTIVITIES

Activities	Frequency	Percentage
Cash crop production	22	8.0
Livestock production	6	2.2
Fish farming	5	1.8
Arable crop production	66	24.1
Farm produce processing	11	4.0
Civil service	51	18.6
Artisan	49	17.9
Trading	64	23.4
Total	274	100

SOURCE: FIELD SURVEY 2010.

The table 4.1.8 shows that 18.6 percent of the respondents are civil servants, 17.9 percent are artisans, and 40.1 percent are farmers while 23.4 percent are traders. This implies that farmers have the largest percentage population of the rural communities.

4.2 BANKING METHODS OF RURAL HOUSEHOLDS.

TABLE 4.2.1: FREQUENCY DISTRIBUTION OF THE RESPONDENTS BY BANKING METHOD OF THEIR CHOICE.

Banking methods	Frequency	Percentage of respondents
Conventional banks	51	18.6
Microfinance banks	22	8.0
NACRDB	0	0.0
ROSCAS (esusu)	52	19.0
Non-ROSCAS (Awidodun)	30	11.0
Mobile bankers (Ajo)	91	33.2
Professional money lenders (PML)	0	0.0
Cooperative society & credit union	28	10.2
Total	274	100

SOURCE: FIELD SURVEY 2010.

The table 4.2.1 above shows frequency distribution of the respondents by banking method of their choice, 33.2 percent of the respondents chooses mobile bankers (Ajo) as their banking method, 19.0 percent choose ROSCAS (esusu), while 11.0 percent choose non-ROSCAS (Awidodun) as their banking methods. 26% percent of respondent patronize formal bankers. This implies that higher percentage of the respondents have informal/unorganized banking methods as their choice and therefore the most preferable banking system among rural households.

4.2.2 BANKING EXPERIENCE OF RURAL HOUSEHOLDS.

TABLE 4.2.2 FREQUENCY DISTRIBUTION OF THE RESPONDENTS BY BANKING EXPERIENCE (PATRONIZING PERIOD)

Banking experience (years)	Frequency	Percentage
≤1	17	6.2
1.1-10	153	55.8
11-20	50	18.2
21-30	24	8.8
31-40	11	4.0
41-50	19	7.0
Total	274	100

SOURCE: FIELD SURVEY 2010.

The table 4.2.2 above shows that 55.8 percent of the respondents has a banking experience ranging between 1-10 years, 18.2 percent has experience ranging between 11-20 years while 8.8 percent has experience ranging between 21-30 years. This shows that considerable percentage of the respondents has a better experience of the banking methods of their choice.

4.3 ATTITUDINAL STATEMENTS ON CONSTRAINTS FACING RURAL HOUSEHOLDS IN THEIR CHOICE OF BANKING METHODS.

TABLE 4.3.1: FREQUENCY DISTRIBUTION OF THE RESPONDENTS BY ATTITUDINAL STATEMENTS ON CONSTRAINTS FACING RURAL HOUSEHOLDS IN THEIR CHOICE OF BANKING METHODS.

Statements	SA	A	U	D	SD
Convectional banks release higher volume of loan at a time	1 (0.4)	4 (1.5)	207 (75.5)	16 (5.8)	46 (16.8)
Savings in convectional banks are secure	2 (0.7)	147 (53.6)	17 (6.2)	107 (39.1)	1 (0.4)
Loans in convectional banks are accessible without stress	11 (4.0)	8 (2.9)	181 (66.1)	10 (3.6)	64 (23.4)
Convectional banks staffs are friendly	1 (0.4)	3 (1.1)	146 (53.3)	21 (7.7)	103 (37.6)
Form filling process in convectional banks is discouraging	86 (31.4)	16 (5.8)	137 (50.0)	4 (1.5)	31 (11.3)
Convectional banks are far away from rural households	190 (69.3)	15 (5.5)	62 (22.6)	5 (1.8)	2 (0.7)
Convectional banks Loans attracts higher percentage of interest	174 (63.4)	17 (6.2)	77 (28.1)	3 (1.1)	3 (1.1)
Request for loans in rural unorganized financial institutions is easy	12 (4.4)	3 (1.1)	57 (20.8)	17 (6.2)	185 (67.6)
Unorganized financial institutions are trustworthy	13 (4.7)	4 (1.5)	57 (20.8)	12 (4.4)	188 (68.6)
Unorganized financial institutions are near to rural households	6 (2.2)	2 (0.8)	53 (19.3)	18 (6.6)	195 (71.2)
Small amount of loans are available in Unorganized financial institutions	176 (63.9)	20 (7.3)	64 (23.4)	1 (0.4)	14 (5.1)

Saving activities is easy in Unorganized financial institutions	2 (0.7)	1 (0.4)	55 (20.1)	18 (6.6)	198 (72.3)
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SOURCE: FIELD SURVEY 2010.

The table 4.3.2 above shows that 75.5 percent of the respondents are undecided about higher volume of loan released by convectional banks. This implies that rural households do not know much about proportion of loan released as a result of low level of patronage. Also 53.6 percent of the respondents strongly agree that savings in convectional banks are secured. 66.1 percent are undecided about loan accessibility without stress in convectional banks. This greater percentage of rural households has no idea about loan convectional bank. Also 53.3 percent are undecided about the attitude of convectional banks staffs to customers. 69.3 percent of the respondents strongly agree that convectional banks are far away from rural households and this may be one of the reasons for low level of patronage.

Also, 63.5 percent of the respondents strongly agree that interest rate on loan in convectional bank is high. This may be the reason for their undecided attitude towards taking loan from convectional banks. Also 68.6 percent of the respondents strongly disagree that unorganized financial institutions are trust worthy. 63.9 percent strongly agree that small amount of loan are available in unorganized rural financial institutions.

4.4.1 PROBIT REGRESSION ANALYSIS OF CHOICE OF MOBILE BANKERS (AJO) AND SOCIAL ECONOMIC CHARACTERISTICS

TABLE 9 ANALYSES OF CHOICE OF MOBILE BANKERS (AJO) AND SOCIAL ECONOMIC CHARACTERISTICS

Variables	Coefficients	T
Gender	-0.6616427****	-3.33
Age	-0.391956****	-4.45
Households size	-0.0148791	-0.53
Marital status	0.462339**	2.19
Year of formal education	-0.0419911**	-1.96
Cash crop production	0.6225024	1.56
Arable crop production	0.1683374	0.65
Saving in convectional banks	-0.575172****	-2.59
Livestock production	-0.330399	-0.04
Traditional leadership	0.5802027*	1.69
Artisan	0.1076035	0.54

SOURCE: FIELD SURVEY 2010.

Log likelihood = -143.45213

Prob > chi 2 = 0.0000

The result of the probit regression analysis of mobile bankers as a choice of banking method and socio-economic characteristics is presented in the table below. The significant

variables include sex, age, marital status, and years of formal education, livestock production and saving in convection bank patronage. The result of the analysis are explained below

Gender: This is significant and has a negative coefficients and this implies that male save less or patronize mobile bankers lesser than female counterpart. This shows that female save with mobile bankers than male.

Age: Age is also significant and has positive coefficients. This implies that the higher the age the lower the saving/patronizing rate. The significant shows that age is one of the socio-economic characteristics that affect banking behaviour of rural households.

Marital status: this is also significant and has a positive coefficient. This implies that a married household tends to patronize mobile bankers than their unmarried counterpart.

Years of formal education: this has a negative coefficient meaning that the higher the level of education the lesser is their transaction with mobile bankers. It is significant and this may be the reason for higher rate of transaction with rural households with mobile bankers.

Household's size: this has a negative coefficient showing that the higher the households size the lesser the rate of transaction of rural households with mobile bankers. The reason could be that the larger households may have little to save because of household's expenditure.

Cash crop production: - This has a positive coefficient. It implies that cash crops farmers patronize mobile bankers than those that are not.

Arable crop production: - This also has positive coefficient. This shows that arable farmers also patronize mobile bankers than those that are not.

Artisan: - Artisan has a positive coefficient. This implies that artisan patronize mobile bankers than those that are not.

Livestock production: - This has a negative coefficient. It shows that livestock farmer may not transact with mobile bankers, unlike those that are not.

Traditional leadership: - This has a positive coefficient. It implies that traditional leader patronize mobile bankers than those that are not.

Saving in conventional Banks: - This has a negative coefficient. It implies that the higher their savings in conventional banks the lower their rate of patronizing mobile bankers.

4.5.1 PROBIT REGRESSION ANALYSIS OF CHOICE OF UNORGANIZED/INFORMAL BANKERS AND SOCIAL ECONOMIC CHARACTERISTICS.

TABLE 4.5.1: ANALYSIS OF CHOICE OF UNORGANIZED/INFORMAL BANKERS AND SOCIAL ECONOMIC CHARACTERISTICS

Variables	Coefficients	T
Sex	-0.4162364**	-2.11
Age	-0.0204794**	-2.40
Households size	-0.00059178	-0.20
Marital status	0.2179524	1.09
Year of formal education	-0.0037909	-0.18
Artisan	0.0088629	0.04
Traditional leader	0.5984457*	1.69

SOURCE: FIELD SURVEY 2010.

Log likelihood = -143.45213

Prob > chi 2 = 0.0000

*** Coefficient significant at 1 percent

** Coefficient significant at 5 percent

* Coefficient significant at 10 percent

The result of the probit regression analysis of choice of unorganized/informal bankers and social economic characteristics is presented in the table below. The significant variables include sex, age and traditional leader. The results of the analysis are explained below.

Sex: - Sex has a negative coefficient and significant. This shows that female has unorganized/informal banks has their choice of banking method unlike male counterpart.

Age: - Age also has a negative coefficient. This implies that older/aged respondents do not make unorganized/informal banks has their choice of banking method unlike the younger ones.

Marital status: - This has a positive coefficient. It implies that married respondents make unorganized/informal banks has their choice of banking method unlike those that are single.

Years of formal education:- It has negative coefficient. This shows that respondents with higher level of education choose formal banking methods and those with lower level of education choose unorganized/informal banks has their choice of banking method.

Household's size: - It has a negative coefficient. This implies that larger households size do not choose unorganized/informal banks has their choice of banking method.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF MAJOR FINDINGS

The research focused on the assessment of banking behaviour among rural households in southwestern Nigeria. It tried to determine factors that influence the choice of banking methods among rural areas. A total number of 300 respondents were randomly selected from rural households in 2 states of the southwestern Nigeria, (Oyo and Ekiti state).

The socio-economic characteristics of the respondents that were studied include age, sex, marital status, educational level, family size and their attitude towards rural banking methods. Based on the analysis of socio-economic characteristics of these rural households, it was discovered that there were more male respondents than female counterpart in the study area. It was also observed from the findings that higher percentage of the respondents are in their active age. The households size are not really large and greater percent of the respondents are married as well as level of education up to secondary school.

Also, the finding shows that larger percentage of the respondents are undecided about higher volume of loan released by convectional banks and loan accessibility without stress in convectional banks. Also, larger percentage of the respondents feel that convectional banks are far away from rural households and interest rate on loan in convectional banks is high. This may be the reasons for their low level of patronage.

The choice of mobile bankers (Ajo) can be determined by their, age, years of formal education, savings in convectional banks, marital status, and traditional leadership.

5.2 CONCLUSION

The contribution of rural banking systems to the growth of the Nigerian economy is quite significant. Based on the findings, it was revealed that unorganized /informal rural households banking methods is the most preferred banking methods by the rural house holds. It was also discovered that organized/formal rural banking methods are far away from rural households. This forms the bases for the low level of patronage despite the fact that convectional banks are reliable and trustworthy.

5.3 POLICY RECOMMENDATION

The preceding analysis has brought some findings that have implication to this study. Based on the findings the following recommendation is made to address the problem of rural finance in the rural households.

- (1) Unorganized rural banking methods should be strengthened through government intervention so as to guide their activities.
- (2) Microfinance banks should extend their operational unit to the rural areas so as to bridge the gap between the formal and informal rural financial institutions
- (3) Convectional banks should extend their operation unit to rural households by making use of the unorganized rural banking systems.

- (4) NACRDB should decentralize further to have at least a branch in each local government area.
- (5) There should be awareness in the rural areas on the relevance of conventional banks so that they can save with them
- (6) Adequate rural infrastructure should be put in place in rural areas so as to encourage the operation of conventional banks.

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DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION SERVICES

FACULTY OF AGRICULTURAL SCIENCES

UNIVERSITY OF ADO-EKITI.

Dear respondents,

This is a research questionnaire aimed at collecting information on assessment of banking behaviour among rural households in southwestern Nigeria. Your response will enable the researcher to arrive at a conclusion for research purpose.

It is strictly for academic purpose and your responses will be treated with optimum confidentiality.

SECTION A

Respondent's demographic characteristics.

1. Respondents no
2. Location
3. Sex. Male Female
4. Age
5. Marital status single married divorced widow
6. Religion. Traditional Christian Islamic
7. Year of formal education
8. Household size
9. Income generating activities

Kindly indicate which of the income generating activities you are involved in.

Activities	Yes/no	Daily income	Weekly	Monthly	Annually

Cash crop production					
Lives stock production					
Fish farming					
Arable crop production					
Farm produce processing					
Civil service					
Artisan					
Trading					
Gift					
Others specify					

10. Years of working experience.....

11. Leadership status. Religion leader [] Political leader [] traditional leader []

Others specify

SECTION B

12. Information about banking methods and saving pattern

Kindly indicate your banking methods and amount saved in each of them

Banking methods	Yes/no	Daily savings	Weekly	Monthly	Annually
Convectional banks(e.g first banks ,UBA)					
Microfinance banks					

NACRDB					
ROSCAS (esusu)					
Non-ROSCAS (Awidodun)					
Mobile bankers (Ajo ojoojumo)					
Professional money lender (PML)					
Cooperative society and credit union					
Others specify					

13. For how long have you been using these methods

SECTION C

Information about constraints facing rural households in their choice of banking methods.

14. Have you ever obtained loan from your choice of banking methods? Yes/No

15. Did you get everything requested for? Yes/No.

16. If no why?

17. For how long are you suppose to pay back? (a)Weekly [] (b)monthly [] (c)3
month interval [] (d)6 month interval [] (e)yearly []

18. How long does it take to approve the loan requested? (a) a day [] (b) 1 week [] (c) 2
weeks after [] (d) others specify

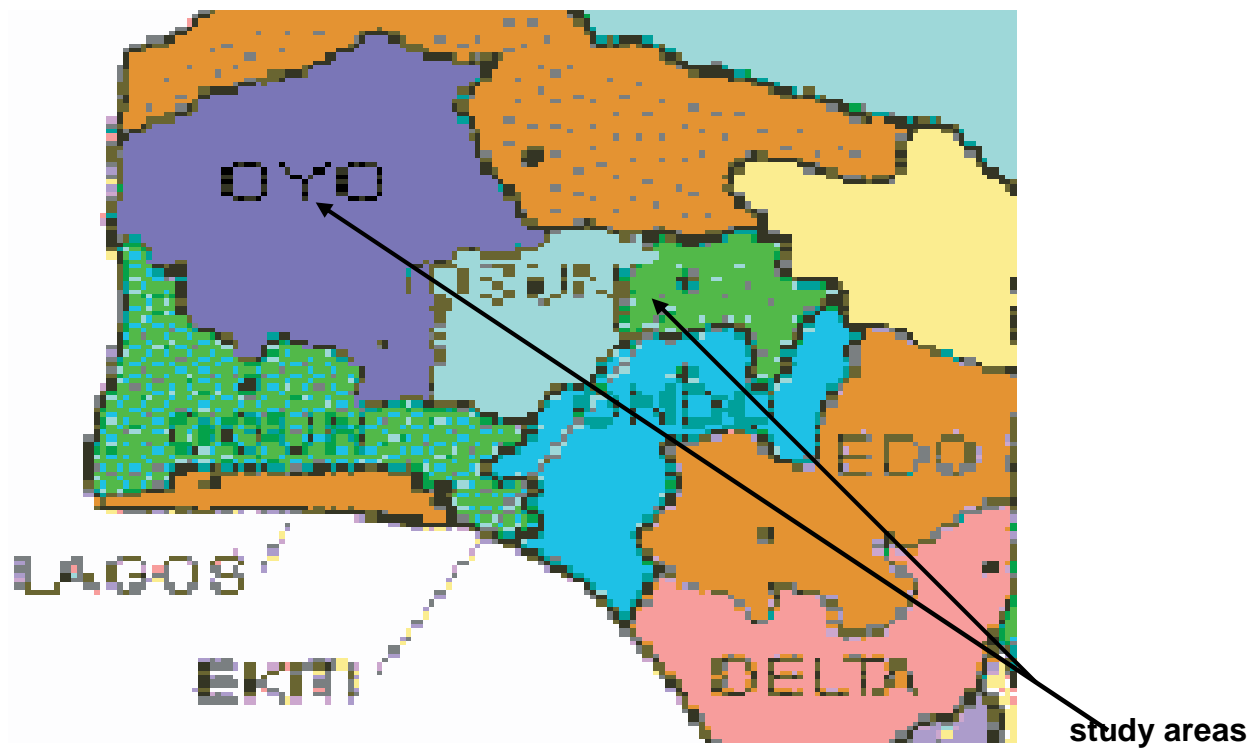
19. Kindly indicate which of the banking methods you prefer best. Convectional banks []
microfinance banks [] NACRDB [] ROSCAS (esusu) [] Non-ROSCAS (awidodun) []
mobile bankers (Ajo ojumo) [] professional money lender (PML) [] cooperatives society []

20. Specify while you prefer your best banking methods?.....
21. Which of the banking method do you think is good for rural communities?.....

SECTION D (ATTITUDINAL STATEMENTS)

Kindly indicate whether you strongly agree, agree, undecided, disagree, strongly disagree with the following statements.

STATEMENTS	SA	A	U	D	SD
Convectional banks release higher volume of loan at a time					
Saving in convectional banks are secure					
Loan in convectional banks are accessible without stress					
Convectional banks staffs are friendly					
Form filling in convectional banks is discouraging					
Convectional banks are far away from rural households					
Convectional banks loans attract higher percentage of interest					
Request for loans in rural unorganized financial institutions is easy					
Unorganized financial institutions are trust worthy					
Unorganized financial institutions are near to rural households					
Small amount of loans are available in unorganized financial institutions					
Saving activities are easy in Unorganized financial institutions					



Map of southwest Nigeria showing the study areas.