

Gender differences in credit acquisition techniques of rural dwellers in Obafemi Owode Local Government Area of Ogun State

¹Taiwo, A. M.; ¹Komolafe, O. D.; ¹Amoo, Z.O.; ²Oladeji, J. O. and ¹Agbotiremasa, J. E.

¹Department of Agricultural Extension and Rural Development, Lagos State University, Epe Campus, Epe.

²Department of Agricultural Extension and Rural Development, University of Ibadan, Ibadan, Nigeria.

Corresponding Author: abiodontaiwo34@gmail.com

Telephone Number: +234)8038479746

Abstract

The study assessed gender differences in credit acquisition techniques of rural dwellers in Obafemi Owode Local Government Area of Ogun state. A multistage sampling procedure was used to select respondents for the study. Data were collected with the aid of structured questionnaire covering respondents' socioeconomic characteristics, sources of information, constraints faced and credit sources available. Data were analyzed using percentages, frequencies and t-test. Result of analysis showed that the mean ages were 43 and 40 for males and females, 51.5% and 38.5% of males and females had access to credit facilities. Farming was a major (64.7% and 76.9%) source of income in the study area. Farm organization was the major source of information, \bar{x} = 2.53 and \bar{x} = 2.58 in the study area. Major constraints faced by males were time wasting and undue embarrassment \bar{x} = 2.93 while high interest rate \bar{x} = 2.88 constrained the females most. Family was the major source of credit, \bar{x} = 2.9 for both males and females. There was a significant difference ($t = 0.96$, $p < 0.05$) in credit acquisition from money lenders between males and females. The study concluded that respondents mostly acquired credits from family sources, hence, recommended that strings and barriers be lessened to enable respondents have access to formal credit sources.

Key words: Gender differences, Credits, Acquisition techniques, Rural dwellers

Introduction

Gender is the range of characteristics pertaining and differentiating between femininity and masculinity (Hsu, 2021). Depending on the context, this may include sex-based social structures (i.e. gender roles) and gender identity (World Health Organisation, 2015). Most cultures use a gender binary, having two genders (boys/men and girls/women) (Sigelman, 2017); those who exist outside these groups may fall under the umbrella term non-binary. Some societies have specific genders besides “man” and “woman”, such as the hijras of South Asia; these are often referred to as third genders, fourth genders, etc. Most scholars agree that gender is a central characteristic for social organization. (Heinemann, 2012).

In some contexts, the term gender is used to replace sex without representing a clear conceptual difference. For instance, in non-human animal research, gender is commonly used to refer to the biological sex of the animals (Haig, 2004). This change in the meaning of gender can be traced to the 1980s. In 1993, the US Food and Drug Administration (FDA) started to use gender instead of sex (O'Halloran, 2019). Later, in 2011, the FDA reversed its position and began using sex as the biological classification and gender as “a person's self-representation as male or female, or how that person is responded to by social institutions based on the individual's gender presentation” (O'Halloran, 2019). According to Williams and Torimiro (2008), gender as a subject is generally conceptualized as a

culturally specific set of characteristics that are identified as a social behaviour of both men and women in terms of the relationship between them. It refers to the way female and male gender is socially perceived especially as related to the roles in the society. Gender concept is dynamic and refers to socially constructed roles, attributes and responsibilities that are related to being male or female in any society.

Gender perspective in development refers to the roles of women and men in their local communities. Gender is an analytical tool for the understanding of social process in any society. Gender issue in agricultural and rural development is becoming clearer with the confidence of available gender related statistics. However, the statistical evaluation of women's contribution in agriculture and rural development goes beyond the mere measurement of their work. Other factors such as men and women different access to inputs and resources, the amount of time available to each gender, gender-differentiated land use and land ownerships, access to sources of credit, training and extension services, technology and other essential resources are still not receiving due consideration (Dada, 2011).

Nigeria economy is largely agrarian with about 70% of her population depending on agriculture as a means of livelihood. Having access to credit facilities constitutes one of the most integral factors in the process of commercialization of the rural economy (Oyesola and Adebisi-Adelani, 2010). Finance is the lifeblood and nerve centre of a business; it has been rightly termed as the universal lubricant that keeps the enterprise dynamic. Agriculture needs financial services for its development in the form of saving accounts, loans and insurance (health, life, credit insurance products) and leasing. Considerably, access of the poor people to financial services affects poverty and income distribution

through economic growth. Improved output is therefore expected from access to credit so that adequate income can be generated in order to exit poverty. Micro credit schemes solve some of the problems of delivering rural credit to the poor by offering collateral-free loans at near market interest rates, through community-based programmes operated by financial institutions or Non-Governmental Organizations.

Rural agripreneurs are characterized by poor access to credit, poor saving rate, risk and uncertainty, poor weather condition, focusing of information on technology and not on pricing. The inability of rural agripreneurs to access credit has restricted their potential to expand their enterprises especially in diversifying into non-farm activities and end up with low income and hence poor savings (Albu and Scott, 2001). This has led to low standard of living and inability to break the vicious cycle of poverty for the rural dwellers. A number of agricultural policies and programmes have been formulated in a bid to provide credit facilities for rural dwellers and farmers in Nigeria over the years. Although, the objectives of the programmes remain provision of credit for income generating activities. However, corrupt practices of the administrators such as rent-seeking, inadequate training programmes, lack of supervision of credit, inability to reach the poor (target audience), among others deformed the reforms (Zeller et al, 2002). This leaves the rural poor with the option to participate in the group-based lending programmes, where the incentives of screening and monitoring of the actions of peer arise. There could also be potential loss of access to future loans through the information obtained at low cost on the reputation, indebtedness and wealth of loan applicants and about the effort to ensure loan repayment. The group members have comparative advantage of enforcing loan repayment through social sanction or seizure

of physical collateral and the constraints on the risk of loan default by individual is shared by the peer. It is against this backdrop that the study assessed the gender differences in credit acquisition techniques of rural dwellers in Obafemi Owode Local Government Area of Ogun State. Specifically, the objectives of the study were to:

1. describe the gender differences in the socioeconomic characteristics of the respondents;
2. identify the gender differences in sources of information available to respondents on credit acquisition in the study area;
3. determine the gender differences in constraints faced by respondents;
4. examine the gender differences in credit sources available to respondents in the study area.

Materials and Methods

The study was carried out in Obafemi Owode Local Government Area of Ogun state. Its headquarters is in the town of Owode at 6°57'N 3°30'E. It has an area of 1,410 km² and a population of 334,349 as of 2017 (Ayeni and Aborisade, 2022). Obafemi Owode Local Government is one of the Local Governments that came into existence through Edict No.9 of 1976, resulting from the 1976 Local Government reforms. It is made up of about 1,204 towns and villages with a land mass of 104,787.07 hectares of largely agricultural land. The common language being spoken is the Yoruba with the Egba dialect. The population of the study consisted of rural dwellers in Obafemi Owode local government area. Multistage sampling procedure was used, which was in four stages; first stage involved stratification of Obafemi-Owode Local Government Area into Urban and Rural. Second stage involved random sampling of five rural communities for the study. Third stage involved random selection of 24 respondents from each of the selected

communities. The fourth stage involved stratification of respondents which gave rise to 68 males and 52 females. This gave a total number of 120 respondents selected for the study. Data for the study were collected using structured questionnaire through interview schedule. Information elicited covered the respondents' socioeconomic characteristics, sources of information, constraints and sources of credits available to the respondents. Sources of information available to respondents was operationalized by providing respondents with a set of 8 items with response options of Always (2), Sometimes (1) and Never (0). Constraints faced by respondents was measured by asking respondents to respond to a list of 9 constraints with response options of; Severe constraint (2), Mild constraint (1) and not a constraint (0). A list of 9 credit sources was presented to respondents on a 3-point scale of; Readily available (2), Moderately available (1) and not available (0). Results were presented using mean values. Data were analyzed using descriptive statistics and t-test at 0.05 significance level.

Results and Discussion

Socioeconomic characteristics

Results in Table 1 revealed that 56.7% of the respondents were male and 43.3% were female. The average age of the male respondents was 43 years while that of the female respondents was 40 years which implies that the male respondents were older than the female respondents. This reveals that majority of the respondents were still very active and productive and the age factor in traditional agriculture is very significant especially in the area of adoption of innovation. Older farmers tend to be conservative and less vulnerable to the wind of change involving the adoption of modern technologies than the younger farmers (Olagunju and Adeyemo, 2009). On the basis of religion, among the respondents, majority

(54.4%) of the male respondents were Muslims while majority (71.2%) of the female respondents were Christians. Majority (75.8%) of the respondents were married. This is an indication that many of them have family responsibilities, hence, may need credits to increase production in order to meet household needs and to gain economic freedom. The overall educational attainment of respondents indicated that majority (62.5%) had formal education with a minimum of primary school education. This shows that majority of the

respondents are literate. The relevance of the literacy level of farmers to farm productivity and production efficiency cannot be overemphasized. According to Najafi (2003), educational attainment is very important because it could lead to awareness of the possible advantages of modern farming techniques, input sourcing, credit analysis and improve credit and savings management, which in turn would enhance household food production.

Table 1: Distribution of Respondents' Socioeconomic Characteristics (n=120)

Variables	Male (n=68)		Female(n=52)		Total	
	Freq.	%	Freq.	%	Freq.	%
Age						
≤30.00	12	17.6	10	19.2	22	18.3
31.00 - 40.00	18	26.5	26	50	44	36.6
41.00 - 50.00	21	30.9	8	15.4	29	24.2
51.00+	17	25	8	15.4	25	20.8
Mean±Std. d	43±9.1		40±9.5			
Marital status						
Single	4	5.9	6	11.5	10	8.3
Married	53	77.9	38	73.1	91	75.8
Divorced/separated	11	16.2	0	0	11	9.2
Widowed	0	0	8	15.4	8	6.7
Religion						
Christianity	26	38.2	37	71.2	63	52.5
Islam	37	54.4	15	28.8	52	43.3
Traditional	5	7.4	0	0	5	4.2
Household size						
1-5	42	61.8	30	57.7	72	60
6-10	17	25	19	36.5	36	20
Above 10	9	13.2	3	5.8	12	10
Level of income						
Below ₦50,000	48	70.6	39	75	87	72.5
₦50,000-₦100,000	20	29.4	13	25	33	27.5
Educational Level						
No Formal Education	7	10.3	2	3.8	9	7.5
Quranic Education	6	8.8	0	0	6	5
Adult Education	16	23.5	14	26.9	30	25
Primary Education	0	0	5	9.6	5	4.2
Secondary Education	13	19.1	18	34.6	31	25.8
Tertiary Education	26	38.2	13	25	39	32.5

Source: Field survey, 2022

The income of most (72.5%) of the respondents was below ₦50,000 per farming season. This income level in the study area could be attributed to use of crude tools which constrained rural households to small-scale production. Rural-Urban migration could have also affected them as majority of able-bodied agricultural labour force preferred non-agricultural livelihoods in the city centre. Results also revealed that 51.5% and 38.5% of the male and female respondents respectively had access to credit facilities. This implies that the male residents in the study area had more access to credits than the women. The low access to credit among females could be

blamed on gender insensitivity in equitable inputs and resource distribution. Dada (2011), posited that inappropriate timing for accessing farm inputs with no gender consideration ends up in creating more problems for women such as sexual harassment, marital crisis, kidnapping and neglect of household responsibilities. The respondents engaged in various livelihood activities to generate income; majority of the respondents (76.9% and 64.7%) female and male engaged in farming. This is not unexpected as a typical rural household in Nigeria have farming as traditional livelihood enhanced by abundance of arable land.

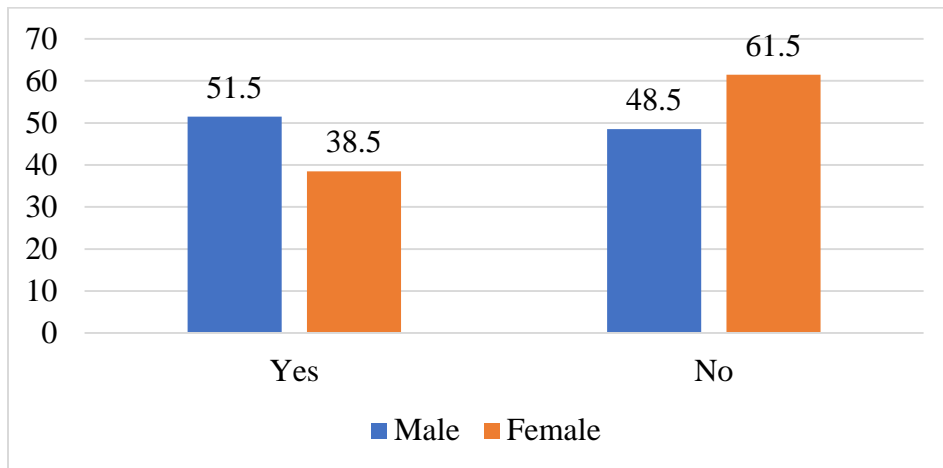


Figure 1: Distribution of respondents according to their access to credit facilities

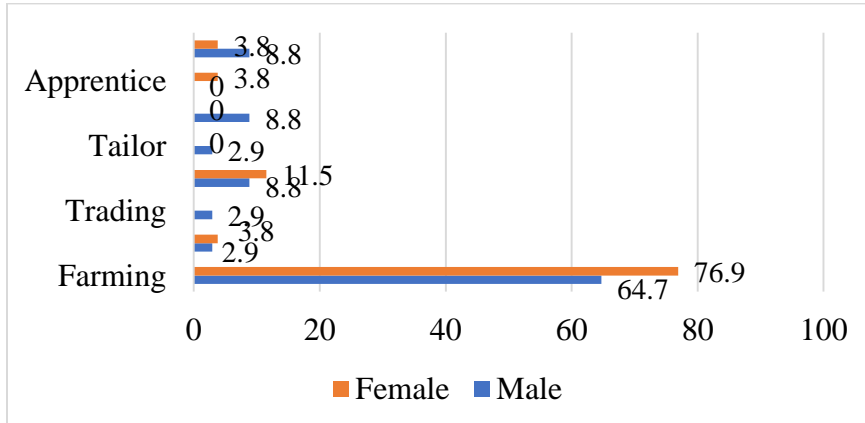


Figure 2: Distribution of respondents according to their sources of income
Sources of information available to respondents on Credit

Results in Table 2 revealed that sources of information on credit acquisition among male respondents were farm organization, billboards, relatives and television with mean values $\bar{x}= 2.53$, $\bar{x}= 2.22$ and $\bar{x}= 2.00$ respectively, while the female respondents utilized farm organization ($\bar{x}= 2.58$), bill boards ($\bar{x}= 2.25$) and relatives ($\bar{x}= 2.06$) as information sources. It could be inferred from

the foregoing that there was no discrimination in sources of information available and utilized by both male and female for credit acquisition in the study area. Although other sources of information were utilized at varying degrees between the two groups but both showed high preference for same sources, i. e farm organization, billboards and relatives.

Table 2: Distribution of respondents according to the sources of information available to them on credits acquisition

Source of information	Male (n=68)		Female (n=52)	
	\bar{x}	Std. d	\bar{x}	Std. d
Newspapers	1.69	0.53	1.71	0.57
Posters	1.13	0.34	1.19	0.49
Fliers	1.13	0.34	1.29	0.54
Billboards	2.22	0.48	2.25	0.56
Friends	1.53	0.56	1.69	0.61
Relatives	2.00	0.69	2.06	0.80
Loan agents	1.96	0.47	1.98	0.46
Television	2.00	0.42	1.79	0.41
Farm organization	2.53	0.50	2.58	0.50
ADP Extension agents	1.69	0.53	1.71	0.57
Radio	1.13	0.34	1.19	0.49

Source: Field survey, 2022

Constraints faced by the respondents in credit acquisition

Table 3 showed that credit acquisition among respondents in the study area was not without constraints to the two groups. Using mean values to present the severity, male respondents were faced with time wasting and undue embarrassment ($\bar{x}= 2.93$), high interest rate ($\bar{x}= 2.87$) and long process of credit acquisition ($\bar{x}= 2.81$), while female respondents faced time wasting and undue embarrassment ($\bar{x}= 2.79$), high interest rate ($\bar{x}= 2.88$) and disappointments ($\bar{x}= 2.63$) as constraints. This implies that the constraints to credit acquisition in the study area were not gender-biased. However, while males could manoeuvre their way through these constraints, such opportunity may not hold for females who by culture and belief have been deprived

of the right to own and control production resources, consequently becoming economically incapacitated, hence could not surmount livelihood challenges. High interest rate, long processes in accessing loans and the need for collateral to access credits were also identified by Oyesola and Adebisi-Adelani (2010).

Sources of Credits available to respondents

Findings of the study in Table 4 revealed that both male and female respondents depended equally ($\bar{x}= 2.94$) on family as source of credit, which also turned out to be the foremost utilized credit source among the different credit sources presented to them. Also utilized more as credit sources between the two groups were Cooperatives with males $\bar{x}= 2.62$ and females $\bar{x}= 2.35$ and Esusu with males $\bar{x}=$

2.54 and females \bar{x} = 2.79. This result is indicative of the fact that respondents in the study area showed preference for the sources of credits that are mostly interest-free and may not demand collateral before disbursement.

Table 3: Distribution of respondents based on constraints faced in credit acquisition

Constraints	Male(n=68)		Female(n=52)	
	\bar{x}	Std. d	\bar{x}	Std. d
Time wasting	2.93	0.26	2.79	0.41
Long process	2.81	0.40	2.60	0.50
High interest rate	2.87	0.34	2.88	0.32
Control security	1.41	0.55	1.40	0.63
Getting a guarantor	2.68	0.53	2.42	0.67
Disappointments	2.57	0.65	2.63	0.63
Need for collateral	1.96	0.56	2.00	0.49
Illiteracy on the part of the respondents	1.88	0.59	1.77	0.61
Inadequate time	1.13	0.34	1.44	0.64
Undue embarrassment	2.93	0.26	2.79	0.41

Source: Field survey,2022

Table 4: Distribution of respondents according to sources of Credits available

Sources of credits	Male (n=68)		Female (n=52)	
	\bar{x}	Std. d	\bar{x}	Std. d
Family	2.94	0.24	2.94	0.24
Friends	2.26	0.61	2.04	0.77
Cooperatives	2.62	0.49	2.35	0.59
Esusu	2.54	0.56	2.79	0.41
Ajo	1.37	0.64	1.23	0.58
Nigeria Agricultural cooperative Bank (NACB)	1.32	0.68	1.27	0.60
Microfinance banks	2.21	0.41	1.96	0.52
Commercial banks	2.35	0.48	2.25	0.52
Money lenders	2.21	0.48	2.29	0.46

Field survey, 2022

Hypothesis Testing

Test of differences in selected Credit Sources used by Male and Female respondents

H₀: There is no significant difference in the credit sources used by male and female respondents in the study area

Result of t-test in table 5 reveals that there was significant difference ($t= 0.96$, $p < 0.05$) in the way respondents sourced credits from money lenders. This implies that male and female have varying disposition to the utilization of money lenders as credit source.

Table 5: T-test Analysis of differences in selected credit sources used by male and female respondents

Sources of credit available	Male (n=68)		Female (n=52)		t-Value	p-Value	Decision
	Mean±Std. Dev.	Std. Error	Mean±Std. Dev.	Std. Error			
Cooperatives	1.32±0.68	0.08	1.27±0.6	0.08	0.46	0.65	NS
Family	2.94±0.24	0.03	2.94±0.24	0.03	-0.03	0.98	NS
Friends	2.26±0.61	0.07	2.04±0.77	0.11	1.80	0.08	NS
Esusu	1.37±0.64	0.08	1.23±0.58	0.08	1.20	0.23	NS
Commercial banks	2.35±0.48	0.06	2.25±0.52	0.07	1.12	0.26	NS
Money lenders	2.21±0.48	0.06	2.29±0.46	0.06	0.96	0.03	S

Source: Field survey, 2022

Conclusion and Recommendations

The study concluded that credit acquisition sources employed most by both male and female respondents included family, cooperatives and esusu. The process was however not without constraints, which included time wasting, long processing, high interest rate, disappointment and undue embarrassment. Hence, the study recommended that strings and barriers be lessened to enable respondents have access to formal credit sources.

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