

ECONOMIC POTENTIALS AND THREAT TO FINANCIAL INCLUSION AMONG WOMEN VEGETABLE MARKETERS IN KANO METROPOLIS, NIGERIA

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Abstract

The paper examined the economic potentials and threat to financial inclusion among women vegetable marketers in Kano metropolis with the aim of identifying their socio-economic characteristics, the purpose and uses of financial product and identifying constraints to financial inclusion among the marketers. The study made use of multistage sampling procedure where 160 respondents were randomly selected; data was collected with the use of a well-structured questionnaire. The result showed that the marketers mean age, education, Household size, Experience and Income were 46%, 11%, 7%, 15% and N391,925 respectively, 65% of the marketers have a bank account where 50% of the account are savings account, 5% are opened for insurance purposes and only 1% for pension purposes; trust issue, a family member already have an account and too many cares are the major constraints faced by the marketers. The study therefore recommends that Government and commercial banks should do more by providing loan facilities to marketers, reduce bank charges and marketers should enroll in adult formal education classes to further their education in order to enhance their profitability and acceptance of more financial products.

Keywords: Urban, Marketing, Women, Financial inclusion.

INTRODUCTION

Effective coordinated efforts to address the financial inclusion gap in Nigeria can be traced back to the development of the National Financial Inclusion Strategy in 2012. The Strategy in essence defined financial inclusion as achieved “when adults in Nigeria have access to a broad range of formal financial services that are affordable, meet their needs and are provided at an affordable cost”. The Strategy set overall targets and specific targets for products, channels and enablers. The major targets were 80% overall (formal and informal) financial inclusion and 70% formal financial inclusion by 2020. There were 15 additional targets for channels, products and enabling environment as well as 22 key performance indicators (KPIs)(CBN-NFIS, 2018).

Notably given the positive effects of increased access to finance, building inclusive financial systems has become an important objective for policymakers around the world. In 2010, the G20 produced a set of recommendations known as “The Principles for Innovative Financial Inclusion”. The following year, the Alliance for Financial Inclusion (AFI), a global network of concerned policymakers and supervisors, issued the “Maya Declaration”, the first set of global and measurable commitments to financial inclusion. The declaration, which has been endorsed by over 80 countries, including Nigeria(CBN-NFIS, 2018)

Macroeconomic evidence shows that countries with deeper financial inclusion tend to grow faster and reduce income inequality (Beck, Demirgüç-Kunt, and Peria. 2017) posited that developing inclusive financial systems hence is an important component for economic and social progress on the development agenda. Evidence also shows that financial access improves local economic activity. He stressed that several settings over the past decades have offered an opportunity to assess the impact of financial access compared to a baseline in quasi-experimental settings at the local economy level.

The banking sector in Nigeria has grown tremendously over the last decades. This sector has

become the delight for the establishment of branches of multinationals banks and direct foreign investment in Nigerian banks and beyond. Despite these modest achievements, about 2.5 billion adults in the world lack access to formal financial service (Dashi, Lahaya and Rizvanolli, 2013) which make financial inclusion a complex matter across different nations. Available data shows that financial services are not made available to everyone that needs them for some reasons. This pattern is also noticed in India (Serrao, Sequeira, and Varambally, 2013) and other African countries, this seems to be the bane of developing economies especially those with high population such as Nigeria.

Agricultural marketing can simply be defined as the performance of all the activities involved in the flow of agricultural products and services from the initial points of agricultural production until they reach the hands of the ultimate consumers or users at the right time. It is concerned with all that happens to crops after they leave the farm gate; making decisions, taking actions and bearing the responsibility of the action. Agricultural marketing in other words also articulates all processes that take place from when the farmer plans to meet specified demands and market prospects to when the produce finally gets to its consumers (Haruna, Sani, Danwank&Adejo 2012). Aminu (2009) also pointed out that in a typical vegetable marketing, retailers and wholesalers were observed to sell both tomato and onion at the same time in addition to other vegetables like amaranth, lettuce, hot pepper, sweet pepper, cabbage, salad and in some cases, chili pepper.

PROBLEM STATEMENTS

In Nigeria, the North West and North East regions of Nigeria faces particularly difficult safety and security situations that makes the provision of financial services more expensive and unprofitable to financial service providers. The security issues have also adversely affected livelihoods in the region, the majority of which are smallholder farmers as well as marketers of agricultural produce.

Women more often than not are excluded from formal financial services because they are unable to meet the account opening and loan requirements. Though contrary to the law, land ownership and inclusiveness is predominantly patriarchal, and women are disadvantaged in accessing loans because they cannot independently enter into contract due to adverse cultural practices. Hence the research seeks to answer the following questions:

1. What are the socio-economic characteristics of the marketers?
2. What is the account ownership status of the marketers?
3. What are the purposes of financial product to women vegetable marketers?
4. What are the uses of financial inclusion products?
5. What are the constraints associated with financial inclusion among marketers?

OBJECTIVES TO THE STUDY

The broad objective was to determine the economic potentials and threats to financial inclusion among women vegetable marketers in Kano metropolis. The specific objectives are;

- 1 Identify the socio-economic characteristic of the marketers
- 2 Identify the account ownership status of the marketers
- 3 Identify the purposes of financial product to marketers
- 4 Examine the financial inclusion usage among the marketers
- 5 Identify the constraints to financial inclusion among the marketers

STUDY AREA

The study was conducted in Kano metropolis which covers an area of 499Km² lying within latitude 11° 58'37"N to 12° 05'26"N and longitude 8° 29'48"E and 8° 33'45"E (NIPOST, 2009). Majority of the inhabitants of Kano are traders, with civil servants, transporters and those engaged in vegetable crops production, poultry, seedling production and land developers. A appreciable number of people within the metropolitan area are engaged in marketing of agricultural foodstuff, including vegetables (Baba, Bello and Aminu, 2008).

SAMPLING PROCEDURES

The study made use of Multistage sampling techniques. Based on study and careful observation of Vegetable Marketing in Kano State, One main market, Yankura market was purposively selected based on the intensity and concentration of women involvement in vegetable marketing. The list of registered marketers in the market was collected from the Secretariat of the Vegetables community Association situated at the Market. The list served as the sampling frame for the selection of the marketers. A random sampling technique was used in selecting the respondents with the help and assistance of market leaders, where a total of 371 vegetable marketers formed the sampling frame drawn from four (4) groups out of which 160 marketers were selected to form the sample size (generated from Raosoft sample size survey calculator).

DATA COLLECTION PROCEDURE

This research work was based on primary data. Structured questionnaire was employed to gather the data relating to the Economic potentials and threat to Financial Inclusion among Vegetable women marketer in Kano metropolis. Data for the study was generated through the use of questionnaire administered to the marketers. Data collected includes information on the socio-economic characteristics of marketers such as age, years of education, household size, and years of experience, level of income, Purposes, uses and the constraints to financial inclusion.

ANALYTICAL TECHNIQUES

The techniques used for achieving the objectives of this study was descriptive technique such as range (minimum and maximum), mean, charts, standard deviation and Coefficient of variation.

MODEL SPECIFICATION

Descriptive Statistics

Descriptive statistics basically summarizes the data assembled from field survey in order to ease the understanding, descriptive statistics which includes, mean, frequency, percentages, standard deviation, coefficient of variation, Pie charts and graphs were used to analyze the data on socio economic characteristics of marketers, purposes, uses as well as identifying constraints.

$$\text{Coefficient of variation} = \frac{\text{Standard deviation}}{\text{Mean}} \times 100$$

DEFINITION OF ECONOMIC INDICATORS

Financial Products

These includes marketers that has access to and use it for payments, savings, credit, insurance and pension services

RESULTS AND DISCUSSION

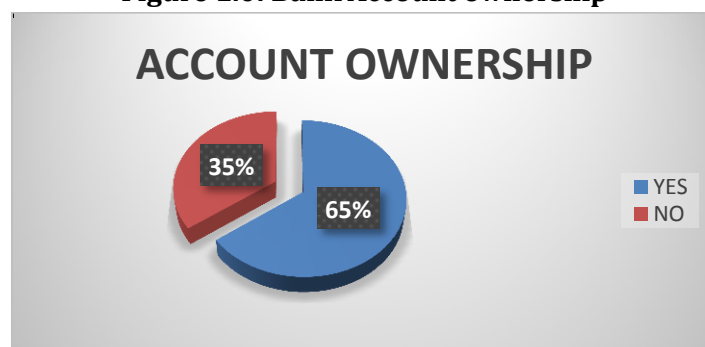
Table 1: Socio-economic characteristics of the marketers

Socio-economic	Minimum	Maximum	Mean	Std. Deviation	C.V %
Age	13	68	46.22	14.959	32
Education	4	15	11.29	2.748	24
Household Size	4	13	6.74	2.127	32
Experience	1	40	14.84	10.081	68
Income	180000	660000	391925.00	98891.294	25

Source: Field survey, 2020.

The socio-economic variables identified include the age, level of education, household size, years of experience and income level of the vegetable marketers. These variables are presented in Table 1. The results of the study in Table 1 revealed that vegetable marketers had minimum and maximum ages of 13 to 68 years respectively with a mean of 46 years. The coefficient of variability of 32% indicated that there was no wide variability in terms of age among the marketers. This implies that, having an average age of 46 is an indicator that the marketers fall within the active age capable of undertaking all the mental and physical activities needed for marketing. Furthermore, they fall within the age that would enhance accurate, prompt and effective decision making. They are also expected to be in the position to effectively utilize available resources to them (Nwaiwu, Eze, Onyeogocha&Ibekwe, 2012). Household size refers to the total number of individuals who live within and feed from the same pot in an environment. The results in Table 1 revealed that the household size of vegetable marketers ranged from 4 to 13 with a mean of 7. The coefficient of variability of 32% indicates that there was no wide variability in terms of number of individuals in the household among the vegetable marketers. However, the mean household size of 7 individuals was slightly beyond the national average of 5 reported by National Bureau of Statistics (NBS) (2010). High number of household size could be due to the fact that vegetable marketers in the study area are aged which means they may have their grandchildren and great grandchildren around them which could help in vegetable marketing activities. The years of experience in vegetable marketing has minimum of 1 and maximum of 40 with the mean value at 15. The coefficient of variation is 68% indicating that there was a wide variability in terms of the number of marketing experience among the vegetable marketers. The average years of experience of 15 implies that some of the marketers in the study area have relatively high years of experience. Ideally, they are expected to adjust to changing economic conditions and adopt new ideas to warrant efficient activity. Income level refers to the amount of money obtained from vegetable marketing in a year, the mean income of the marketers is N391,925.00. The coefficient variability is 25%, which implies that there is little variability between the highest income marketing earner and the least earner.

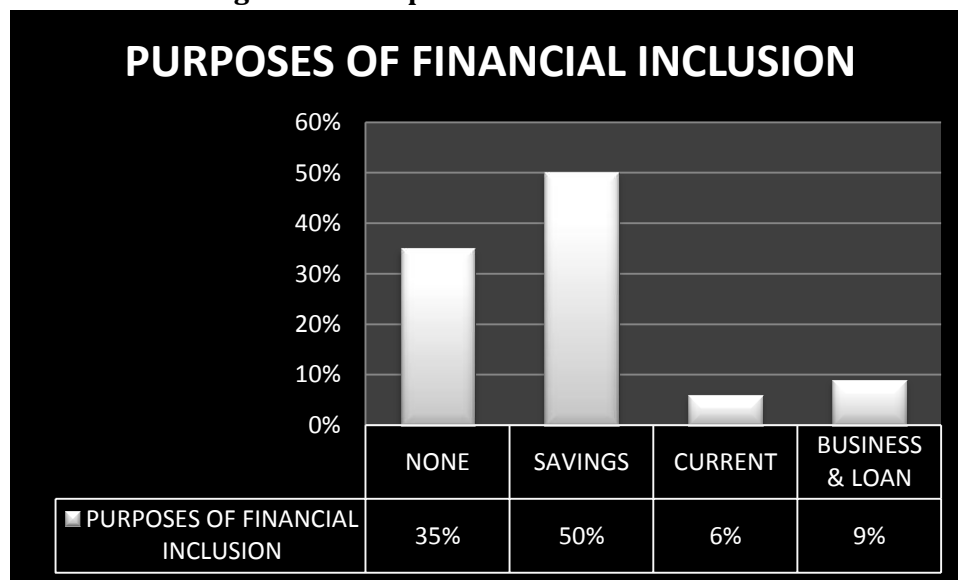
Figure 1.0: Bank Account ownership



Data analysis, 2020

Table 1.0 shows the percentage of the marketers that own an account in any bank. The result shows that 65% of the marketers have an active account while 35% of them do not have any. Bank account ownership offers convenience, helps in fund safe keeping, provides an easy way to save money; they are cheaper and help owners to access credits. Active account holder refers to an individual who has a registered account and has used it in the last 90 days. The percentage has really increased from the previous study conducted in Nigeria, 58.4% in 2016 (CBN-NFIS, 2016).

Figure 2.0: Purposes of financial inclusion



Data analysis, 2020

From Figure 2.0, the figure shows the purpose of opening a bank account which will in essence determine the usefulness of the financial inclusion products available to them. The figure shows that majority of the respondents 50% makes use of the financial products for savings purpose as they are not salary earners and are mostly into the marketing business for survival. In addition, savings account are opened for security, easy access, safe growth, emergency fund accessibility, targeted savings, healthy financial habit, overdraft protection, easy setup, minimal requirements and maintenance and multiple account options. 35% of them do not use financial products for any purpose because they are excluded, 9% used it for business and loan requirements purpose while 6% of the respondents opened current account.

Data analysis, 2020

The Figure 3.0 above shows the percentage of the financial product usage by the marketers. Majority of the marketers (46%) made use of the financial products mostly for savings purpose. A savings account is a basic type of account that allows you to deposit an amount of money, keep it safe and withdraw certain amount of funds while earning certain interest, keeping cash elsewhere that you don't plan to spend in the immediate future is quite unsafe, using a savings account has a psychological benefit: its quite tempting to spend money in hand. Most importantly, it can be a means of setting aside funds to reach longer-term goals. 36% of the marketers do not make use of financial products because they were financially excluded. 6% of

the respondents made use of the insurance products and 4% for payments and currents.

Figure 3.0: Financial Products Usage

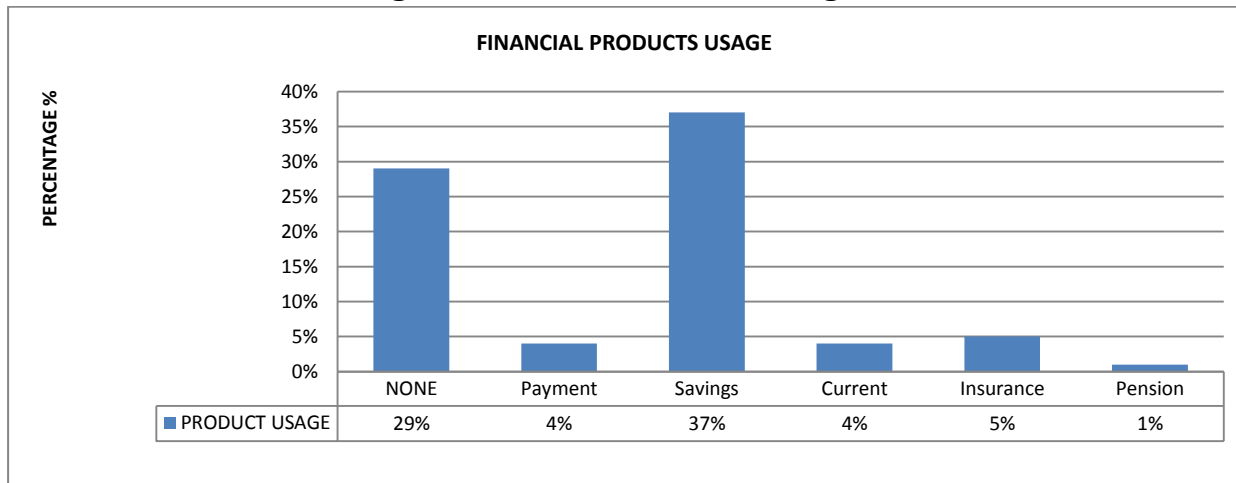
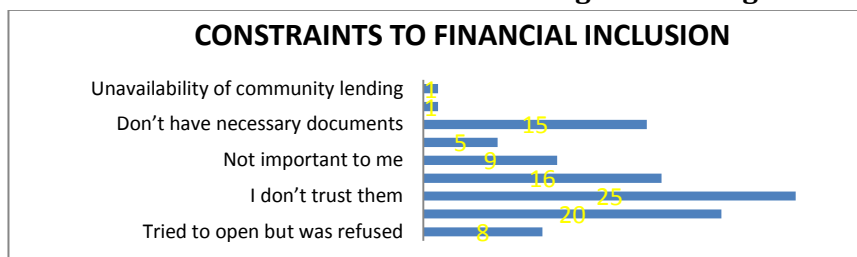


Figure 4.0: Constraints to Financial Inclusion among Women Vegetable Marketers



Data analysis, 2020

Figure 4.0, shows that majority of the marketers (25%) were having trust issues with the financial service providers and agents because of their charges and hence they believe the bank may reduce their money from their account, 20% of them think it is Unnecessary to open another account since a member of their household has one and they can easily make use of it. 16% and 15% of the marketers are not financially included because there are many cares to solve and do not have the necessary documents respectively.

CONCLUSION AND RECOMMENDATIONS

This study described some socio-economic variables and the usage, purposes and benefits of financial inclusion, financial inclusiveness and accessibility to financial products among women vegetable marketer in Kano Metropolis, Nigeria. The study showed that the marketers fall within the active age capable of undertaking all the mental and physical activities needed for marketing, with a large household size, low level of education; relatively high years of experience and a little variability in terms of income earned by the marketers. It also portrayed that majority of the marketers are banked with savings account and challenged with numerous bank charges from financial service providers. The study therefore recommends that Government and commercial banks should do more by providing loan facilities to marketers, reduce bank charges and marketers should enroll in adult formal education classes to further their education in order to enhance their profitability and acceptance of more financial product.

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