
Women Association's Financial Intervention And Socio Economic Wellbeing In Akpabuyo Local Government Area, Cross River State, Nigeria

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ABSTRACT

The purpose of the study was to examine the impact of women-only-mutual-aid-society (NGO) interventions (women association) on socio economic wellbeing of rural women in Akpabuyo Cross River State, Nigeria. Two null hypotheses were formulated namely, provision/administration of thrift credit and environment of Esusu revolving scheme. The theoretical framework adopted was induced development model while research design employed was the cross-sectional survey design. Data for testing the formulated hypotheses were generated using a 15-item focus group discussion guide (FGDG). Data were collected from 40 respondents selected through cluster, purposive and snow balling sampling techniques from the existing 10 wards. The generated data were thematically presented. The tested hypotheses revealed that interventions for provision/administration of thrift credit affect socio economic wellbeing of rural women; also, Esusu revolving loans affect socio economic wellbeing of rural women. It was concluded that women organizations have contributed to the enhancement of socio economic wellbeing of rural women in terms of increased income, entrepreneur development, health and education/literacy. The paper recommended that interventions by women NGOs should be extended to other communities in view of the benefits.

Keywords: Financial intervention, women association, socio economic wellbeing

INTRODUCTION

Socio-economic wellbeing of women involves improvement in literacy, income and occupation. This implies creating and widening potentials for women economic development, quality of life; assessing empowerment opportunities, facilities and amenities for improved standard of living. Socio economic wellbeing impact on the quality of life of women with resulting effects on the lives of children and families (UNDP, 2001).

Women's wellbeing expands their opportunities to realize their full potential through access to social services and share in decision and action which affect their lives. This is observed in terms of the opportunities and personal choices available to them, increased women output, employment opportunities and rooting out fundamental causes of poverty, ignorance, disease and squalor. Socio economic wellbeing leads to improvement in quality of life both qualitatively and quantitatively (Obinna, 2001).

Many governments in developing societies are faced with the problem of improving the quality of life of citizens. In Nigeria, successive administrations since independence in 1960 have demonstrated some commitment at improving the socio economic wellbeing of the urban and rural dwellers through various policies and programmes.

The past development efforts of government seemed to have concentrated on a lopsided platform. The role of women, particularly, the rural poor was regarded as secondary in the socio economic development of Nigeria. Thus, the condition of women has worsened as they lag behind in all spheres of development (UNDP, 2001). Major improvements in socio economic wellbeing are possible through appropriate strategies. According to World Bank (2009), "economic development continues to be central to success in socio economic wellbeing of rural women. The unfavorable condition of rural women is also an outcome of economic, social and political processes that interact with and reinforce each other in ways that can ease or exacerbate the state of deprivation in which poor women live".

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Enhancing socio-economic wellbeing among poor rural women calls for multiplicity of actions. However, in view of past failures of government programmes, non-governmental organizations have risen to bridge the gap. Most especially Women Action Organization’s (WAO) micro lending activities may have the capacity to expand women opportunities, empower them and increase security. This would make poor rural women contribute towards family sustainability. The paper maintained that Women Action Organization’s micro lending is an empowerment strategy for socio economic wellbeing in the areas of administration of thrift credit, local encouraging Esusu revolving loan or contribution club and promoting financial literacy. In Cross River State, Nigeria, Ukata, Akintoye, Ekeh and Ogar (2013), discovered the invaluable role of women NGOs in community mobilization, thrift, credit, vocational skills acquisition, sanitation awareness creation in rural communities of the state. This study examines women-only-mutual-aid micro lending initiatives and socio economic wellbeing of women in Akpabuyo Local Government Area, Cross River State, Nigeria.

STATEMENT OF THE PROBLEM

Socio-economic wellbeing among rural women has been a serious concern because of their situation in the rural environment. They lack economic resources and services, their labour is often unrecognized; their mobility is regularly constrained. The rural women are perpetually affected by poverty, hunger and inequality. Their predicament goes beyond the purely economic to encompass the ability to meet basic needs; seriously limited opportunities to participate in economic, social, civil and political life and exposed to circumstances that inhibit their potential to secure sustainable livelihoods.

Past socio-economic development efforts failed to integrate poor rural women into development planning in rural areas. Those measures meant to improve rural lives failed to change the wellbeing of the poor women. On the contrary, these programmes have continued to impoverish rural women leading to neglect, deprivation and exploitation.

Since the macroeconomic programmes of government have failed to actualize poor rural women potentials, it is possible that Women Action’s micro lending initiatives may provide the link between poor rural women and sustainable livelihoods. Thus, the question that comes to mind here is: to what extent is socio economic wellbeing of rural women influenced by women-only-mutual-aid society initiatives?

RESEARCH HYPOTHESES

1. Provision of thrift credit has no significant relationship with socio economic wellbeing of rural women in terms of income, enterprise promotion, health, education/literacy.
2. Encouraging Esusu revolving loan scheme (practice) has no significant relationship with socio-economic wellbeing of rural women in terms of income, enterprise promotion, health, education/literacy.

NON-GOVERNMENTAL ORGANIZATION (NGO), AND SOCIO-ECONOMIC TRANSFORMATION

In recent years, non-governmental organizations (NGOs) have risen to play significant role in development. Idowu (2002) stated that NGOs are not the marginalized actors they were perceived to be through much of the 1970s and 1980s. Today, they are becoming key players with substantial impact in socio-economic development. Meyer (1992) and Vivian (1993), commented that government involvement in economic enterprise is portrayed as necessarily inefficient and almost inevitably corrupt and donors are not only increasing grants to NGOs but shifting government to NGOs.

According to Idowu (2002) NGOs are able to positively affect rural socio economic development through igniting the following reactions; Participation: Most NGOs operate on the basis of working with rural communities, accelerating local needs and preferences and involving target population in placing activities, mobilization, conscious raising and organization, voluntarism and collective action, grassroots representation – the belief that developments NGOs represent the grassroots and are receptive to people’s wishes, effectiveness – they achieve results faster with less resource than government agent.

The women-only-mutual-aid society is concerned with the grassroot. It is devoted to supporting women and girls to overcome their many barriers facing them and to improve their socio-economic status. These objectives are achieved through education, networking, research, workshops and publications.

Their interventions financially offer opportunity for self-employment through entrepreneurship. Obtaining the money to start or operate a business is major obstacle for most rural women – particularly the uneducated women. The financial intervention helps them make a living through business (Omofonmwan & Odia, 2009).

Micro-loans groups comprised women from a single community who come together to lift themselves and their families from the burden of poverty, ignorance, illness, unemployment and squalor. The women attend group empowerment and education workshops focused on business and financial management to help them be successful in their efforts. When women repay their initial loan as of when due, they qualify for a higher loan during the next cycle. Over the years, women have benefited by starting their own business such as jewelry, wearing, poultry, patent medicine owners etc as a result of the programme (Omofonmwan & Odia, 2009).

Generally, in the micro lending process, according to Ashraf (2010), “community leaders organize themselves into groups of about 25-30 members. Women groups are established and they recruit other women interested in receiving a micro loan. Each woman initially receives N150,000 (limit increases after successful repayment)”. Women use this money to start a small business or enhance an existing one. Ongoing training is provided throughout the process to help improve success rates and to acquire business and banking skills, how to start their own savings account and develop financial planning skills. Women are encouraged to join Esusu groups or association.

PROVISION OF MICRO CREDIT AND SOCIO-ECONOMIC WELLBEING

Micro lending is acknowledged as a viable alternative to conventional banking as it plays a vital role in positively affecting the socio economic lives of the rural people. According to Buckley (1997), “it has become a major tool of socio economic development and found to be the only practical and appropriate solution to the deep seated challenges of rural development”. It has been observed that micro credit significantly aid in socio economic development in the areas of livelihood promotion, developing the local economy and empowerment (Vasanthakumari & Sharma, 2010). “The provision of thrift credit and other financial services or products of very small amounts to the poor is meant to enhance their standard of living” (Ruhazdenhi and Satyasai 2000). According to Ruhazdenhi and Satyasai (2000) it is possible to lend money to members of micro lending with little or low interest rates, the underlying assumption is that it is possible to induce sustainable socio economic development in the localities where such practice exists. In justifying micro finance scheme, Vasathakumari & Sharma (2010) emphasize that “the rural poor were caught in the clutches of money lenders as their access to credit from the banking system was constrained due to lack of social collaterals”.

“However, the success of Grameen bank models in Bangladesh inspired its replication in the form of micro lending on their societies” (Vasathakumari & Sharma, 2010). Administration of thrift credit is a financial strategy that concentrates mainly on the low-income group of a given society (Vasathakumari & Sharma, 2010). The intervention primarily involves credit services and may also include savings. Chuks (2007) reported that micro credit strengthens human capital of inducing investment in health, enterprise, educational/literacy etc. Amadi (2010) indicated that micro credit operation increases household income, improves diet patterns, improves status of rural dwellers, participation in public life and improves network of social relation. It also allows low income families to save their money (Dichter & Harper, 2007).

ESUSU REVOLVING LOANS AND SOCIO-ECONOMIC WELLBEING

Majority of rural dwellers in Nigeria are still not adequately served by the formal financial sector. They continue to find the prevailing financial services to be unaffordable, unresponsive and unfriendly. As this limits their opportunity to save, they are forced to rely upon informal modes of saving and depend on the Credit Unions, Cooperation’s and Rotating Saving and Credit Association (ROSIA). Such institutions have clearly showned the ability of people to organize themselves at a basic level and come together to save and borrow to their mutual benefit. In rural communities they are the sole savings and credit association (Akinkugbe, 2013).

The “Esusu” or “Contribution club” is a traditional rotating savings and credit association that has thrived in West Africa in general and Nigeria in particular for generations and is still widely practiced

today. The incentive of participating in “Esusu” is the necessary savings that it spurred; putting aside money today to benefit from a lump sum payment in the future. Subscribing members contribute a fixed sum periodically. The accrued funds are usually assigned to each member of the group in rotation until all have benefited from the pool of funds. As a result, each member is able to access a larger sum of money during the life of the association and use it for whatever purpose she or he wishes (Akinkugbe, 2013).

Esusu revolving loan or contribution club in a sense allows individuals that might not ordinarily have access to credit obtain interest free credit through the pooled contributions saved, albeit without interest earned. Participants of the contribution club enjoy the possibility of gaining access to the accumulated sum long before the individual has saved up that amount. They can also take advantage of the loan collected to improve their general welfare (Akinkugbe, 2013).

THEORETICAL FRAMEWORK

Induced Development Theory

The proponent of this theory is Hayami and Rutlam (1971). The theory believes that, every country which embarks on the course of economic development necessarily encounters a set of constraints imposed by inelasticity on the supply of strategy inputs. It is the views of the theory that unless efforts are directed towards the loose reduction of these constraints by providing alternatives for these factors with inelastic supply the whole process of economic development is bound to be greatly hindered. Availability of funds in an economy is sine-qua-non to the overcoming of the constraints. Finance has been identified as an indispensable tool in development (Iniudu & Ukpak, 1996).

The theory has implications for the present study. It identifies micro lending initiatives such as provision of thrift credit and Esusu scheme as significant predictors of socio-economic development. These are ready sources of capital. The understanding is that for rural women to be productive, financial support through capital is essential. The theory implies that the provision of monetary support through credit and savings for the acquisition of capital goods by the rural women is vital for economic management with the aim of increasing prosperity, equity, and sustainability.

Based on the theory, additional money, either as loans or savings will result in an increase in the overall liquidity available to be used to expand any of the household’s production, consumption and/or investment activities.

Methodology

The research design adopted for this study was cross-sectional survey design. By using this design, the researchers attempted to use the independent variables (provision of thrift, credit Esusu revolving loans and teaching financial literacy) or micro lending that have already occurred to observe the dependent variable of socio economic wellbeing (income, enterprise promotion, health, education/literacy) as they manifest. It was a qualitative study. It also enable the researchers to restrict the study to a selected sample rather than the whole population.

Study Area

The study area is Akpabuyo local government area of Cross River State, Nigeria. Its headquarters is in Ikot Nakanda. It has an area of 1,241 km² and a population of 271,395 (FRN, 2009). It is located in Southern Senatorial District. It consists of 10 (ten) council wards: Idundu/Anyanase, Atimbo East, Atimbo West, Ikot Edem Odo, Eneyo, Ikot Nakanda, Ikot Eyo, Ikang North, Ikang South, Ikang Central.

Population of the Study

The population of the study consisted of all the women rural dwellers in Akpabuyo local government residing in the 10 council wards and comprising farmers, entrepreneurs and all those who have been assisted by Women Action Organization (WAO) directly or indirectly. This formed the target population. The target population of those benefiting from WAO activities was extracted from this overall population.

Sampling Procedure

The first sampling procedure considered for the study was purposive sampling since the researchers were only concerned with the beneficiaries of women-only-mutual-aid society initiatives (interventions).

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Four council wards were purposively studied based on observed activities of women-only-mutual-aid society. These are; Atimbo West, Ikot Eyo, Ikot Edem Odo, Ikot Nakanda. So the researchers were concerned with these wards to the exclusion of others. These formed the 4 clusters of the study. In selecting the communities, the researcher purposively went for communities that are benefiting from WAO’s interventions in the four clusters. One community was selected from each cluster.

Therefore, four (4) communities participated in the study. For the actual respondents of the study, snowball sampling procedure was adopted. Since it was a qualitative study, the research selected between 10 respondents per community. It yielded 40 respondents in all.

Instrument for Data Collection

The main instrument for data collection was focus group discussion guide (FGD) the maximum number of women involved was ten (10). The women were arranged in a semi-circular pattern while the researchers moderated the discussion. It composed of adult women. The FGD guide was made up of three sections: A, B, and C each section had four items, with a total of 12 items. The communities where FGDs were conducted were purposively selected based on the presence of Women Action Organization (WAO) micro lending initiative. These were Ikot Edem Odo, Atimbo East and Ikot Edem Odo and Ikot Eyo. A total number of four (4) FGDs was carried out in 4 communities.

ANALYSIS AND DISCUSSION OF FINDINGS

General Description of Data

Table1. *Distribution of respondents’ socio-demographic data*

Variable	No. of Respondents	Percentage (%)
A. Age		
Under 20 years	5	12.5
20-30	13	32.5
31-40	12	30
41 and above	10	25
Total	40	100
B. Educational level		
Formal education	11	27.5
Non formal education	29	72.5
Total	40	100
C. Marital status		
Single	7	17.5
Married	21	52.5
Separated	2	5
Divorce	3	7.5
Widow	7	17.5
Total	40	100
D. Occupation		
Farmer	15	37.5
Trader	13	32.5
Self employed	12	30
Unemployed		
Total	40	100

Source: Field work, 2015

Table 1 indicates the socio-demographic data of respondents. Respondents below 20 years were 12.5 percent (N=5), 20-30 were 32.5 percent (N=13), 31-40 were 30 percent (N=12), while 41 and above were 25 (N=10). This implies that the highest number of respondents who participated in the study belonged to the age bracket 20-30 years. The table shows that 27.5 percent (N=11) acquired formal education while 72.5 percent (N=29) did not acquire formal education. The implication therefore is

that most of the community members have not acquired formal education, and by extension illiterate. In terms of marital status, 17.5 percent (N=7) were single, 52.5 percent were married, 5 percent (N=2) were separated, 7.5 percent (N=3) were divorce while 17.5 percent were widow. This implied that the greatest number of respondents were married women. In the area of occupation, 37.5 percent (N=15) were farmers, 32.5 percent (N=15) were traders, 30 percent (N=12) were self employed and none of the respondents was unemployed. It means majority of respondents were farmers. The self-employed ones were probably entrepreneurs engaged in small scale businesses.

TEST OF HYPOTHESES

Hypothesis One

Provision of thrift credit has no significant relationship with socio economic wellbeing of rural women in terms of increase income, enterprise promotion, health, education/literacy.

Hypothesis Two

Encouraging Esusu revolving loan practice has no significant relationship with socio economic wellbeing of rural women in terms of income, enterprise promotion, health, education/literacy.

DISCUSSION OF FINDINGS

Provision of Micro Credit

In the focus group discussion carried out, the discussants (women) unanimously responded that:

Yes, the organization has helped us so much in this community. Most of us are farmers, you know how difficult it is to obtain money from those Banks in Calabar. But this organization has assisted us through the small loans they give. This has also helped to improve our living standard.

The discussants stressed that:

Being in a position to receive this credit itself is God’s opportunity. Through this, we have accessed loan to boost our farming, trading and in fact, our business. It is good to have money to do what you want to do. Moreover, the women now understand better why they should embark on income raising activities to help change the condition of their homes and even their village, the position of these rural women support Buckley (1997) that micro lending plays a vital role in positively affecting the socio economic lives of rural people. Micro lending as become a vital tool of socio economic development and found to be the only practical and rightful solution to the deep seated challenges of the rural dwellers.

The findings agree with Ruhazhendhi and Satyasai (2000) that the provision of thrift credit and other financial services or products of very small amounts to the poor has the potential to enhance their standard of living. It aids in socio economic development in the areas of livelihood promotion, developing local economy and empowerment. Vasanthakumari and Sharma (2010) reported that micro credit strengthens human capital by inducing investment in health and small scale enterprise promotion. These findings were also attested to by the focus group discussants in these communities.

In the focus group discussion (FGD) conducted that women did not conceal their feelings about the benefits of Esusu revolving loan. According to them:

This scheme is very beneficial. Now tell me, how can you, in the village here raise some money to do business and help your family? Village life is difficult. But this Esusu contribution has helped to provide funds for farming and tradition activities.

Another set of discussants in another community stated:

Our women, even the men should be encouraged to join Esusu contribution. When you cannot get money elsewhere because nobody is willing to give you except you buy money. But the Esusu arrangement makes bulk money available to pay children’s school fees, buy drugs in terms of sickness and invest in farming, trading and small scale enterprises. Overall, we experience a better condition of life. It is good to be part of this scheme.

The discussants further added that:

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You cannot have a better home and engage in a profitable venture without being financially wise. As local farmers, we know that money is a problem, so what we obtain from Esusu scheme and thrift credit from the organization we try to be prudent in the use. The improvement of our homes or lives depends on how properly we manage money. The end result of this is better standard of living.

The opinions of these discussants were consistent with that of Buckley (1997) that micro lending programme makes provision to poor rural dwellers for self-employment projects that generate income. Aside from this, micro lending as an antipoverty tool has great scope for empowering rural poor women, especially by teaching financial literacy.

CONCLUSION/RECOMMENDATIONS

Women Action Organization’s micro lending initiatives are significant predictors of rural women socio economic wellbeing in Cross River State, Nigeria. It was specifically established that women-only-mutual-aid society initiatives namely provision/administration of thrift credit and encouragement of Esusu revolving loan exerted significant impact on poor rural women socio economic wellbeing. Findings revealed that poor rural women have experienced increased income, imbibed the spirit of entrepreneurship, improved health status and enhance literacy.

The study recommended that women-only-mutual-aid society’s initiatives should be extended to other communities because of the benefits derived by participating communities. Appropriate measures should be put in place to ensure consistent access to thrift credit by rural dwellers because of inability to access formal banking services.

The merits of Esusu revolving scheme are significant. Therefore, women organization should step up its advocacy to other communities for wider coverage to enable more groups participate because aside from other benefits, it allows individuals have access to interest free credit.

The financial education initiative should be expanded in scope in terms of coverage. WAO could enlist the support of churches and village associations to inform their members on the usefulness of acquiring financial management knowledge to enable them still plan well with meager money at their disposal.

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