Relationship Between Socio-Economic Factors and Participation in Decision Making in Microfinance Scheme Among Rural Farmers in Kano, Nigeria

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Abstract: This study examined the relationships between socio-economic factors and participation in decision making among rural farmers in Kano, Nigeria. Data was collected from 364 respondents using structured questionnaire from six local government areas of Kano state. The descriptive analysis revealed that there is high level of participation in decision making among rural farmers community in Kano based on the overall mean score of 4.19 and standard deviation of 0.81. Spearman Rho correlation analysis also shown significant negative relationship between level of education and participation in decision making ($r_s = -.372,\ p = .000$) which means, majority of people in the study areas are not educated since some of them who acquired educational qualifications look for better job opportunities instead of participating in agricultural activities. Therefore, the authors recommended that, government should either increase the amount of microloan uniformly or give special consideration to educated people in order to curtail rural-urban migration for '*white collar*' jobs. Similarly, the analysis shown that, there is significant positive low relationship between type of farm product and participation in decision making ($r_s = .184,\ p = .001$), which means, people involvement in rural development program has low impact on their agricultural production. Thus, the authors recommends that, government should give more financial support to rural farmers in order to increase their capital base to enhance agricultural production in the study areas which may eventually lead to improvement in well-being of the farming communities.
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1. Introduction

Participation as a concept within community development is widely and commonly used (Saidu, Abu Samah, Redzuan, & Ahmad, 2013). It is a central concept in, and foundation principle of community development. Participation is a rich concept that varies with its application and definition. The way participation is defined also depends on the context in which it occurs. Cohen & Uphoff (1977) defined participation "as people's involvement in decision making process about what would be done and how it is done; their involvement in implementing programs and decision by contributing various resources and cooperating in specific organizations or activities; their sharing in the benefits of development programs; and their involvement in efforts to evaluate such a programs, p. 6." Participation means collective and continuous efforts by people themselves in setting goals, pooling resources together and taking actions which aim at improving their living conditions (Mishra, 1984; Mishra, Sharma, & Sharma, 1984)

Moreover, participation has been conceptualized as representative of partnership and ownership from the 'bottom-up' perspective (Blackburn & Rosen, 1993; Ritchie, Parry, Gnich, & Platt, 2004; Singh, 2006), with involvement of people in decision making processes, implementing programs, sharing the benefits of development programs and their involvement in efforts to evaluate such programs (Cohen & Uphoff, 1980). The recent interest in community participation throughout the world is premise on the perceived benefits that community participation in rural development programs such as microfinance scheme usually enhances their efficiency, sustainability, and collective community power (Jones, 2003; Jorbozeh, Dehdari, Hassanzadeh, Taghdisi, & Hosseini, 2013). By promoting community participation in such programs, community members can gain more local control and greater influence over their community resources (Cohen & Uphoff, 1980; Uphoff, 2000) Therefore, community development programs can only succeed if the people in the target area participate in the planning, decision making, implementation and evaluation of the program (HMG/ SATA 1980 cited in Stone, 1989). In line with this, Xu (2007) argued that 'community participation' is the key to development, and this is defined as the participation of local villagers in the planning, decision making, and implementation of project activities. This is why community

involvement becomes imperative in development activities, starting from where the people are, what they know, what they have, and what they want to be, would facilitate the rapid dissemination of programs and the introduction of a new project (Chowdhury, 1996; Chowdhury & Bhuiya, 2001). Thus, being aware of, and involved in community development activities, people become committed to work in assuring the sustainability of the project (Abu Samah, Ahmad, & Ndaeji, 2013; Abu Samah & Aref, 2009, 2011; Barati, Samah, & Ahmad, 2012).

Although, variables related to personal characteristics such as socio-economic factors are believed to influence participatory behavior in community development programs. Studies indicate that socio-economic factors gained predictive power in terms of community participation in decision making process when personality, situational variables, and professional interventions were statistically controlled (Florin & Wandersman, 1990; Moser, 1989; Uphoff, 1993). For instance, the following studies have identified the influence of socio-economic factors to participants in rural development project such as microfinance scheme. A study shows that, most of the farmers beneficiaries of Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) microloan in Abia state were young, married males, with some farming experiences and some good level of literacy (Emerole, Nwosu, & Olajede, 2008). Similarly, Akanji (2002) pointed out that, issues concerning training and education should be considered serious. He further argued that, poverty is deep in Nigeria and education has been shown in the poverty assessment study to be negatively related to poverty.

In addition, Iqbal (2010) found that there significant negative relationship between knowledge and skills of the respondents and participation in decision making ($r = -.308$, $p < .05$) in the coffee Integrated Pest Management for Smallholder Estate Crops (IPM-SECP). His finding further indicated that nature of farming activity ($r = b.380$, $p < .05$) and types of agricultural production ($r = .261$, $p < .05$) were significantly related to environmental empowerment in terms of decision making of the participants in the coffee IPM-SECP.

With regards to these arguments, the study aimed to examine the relationship between socio-economic factors (level of education, nature of farming activity and type of farm product) and participation in decision making among rural farmers in Kano, Nigeria. Therefore, the authors proposed the following hypotheses:

H_1: There is no significant relationship between level of education and participation in decision making among the respondents;

H_2: There is no significant relationship between nature of farming activity and participation in decision making among the respondents; and

H_3: There is no significant relationship between type of farm product and participation in decision making among the respondents.

2. Materials And Methods

In this quantitative study, a total of 364 respondents were surveyed out of the entire population of 6,523 participants in Bank of Agriculture (BOA) microfinance scheme in Kano state, Nigeria. The sample size was determined based on the Krejcie & Morgan (1970) criteria which illustrates that, in a population of 7,000 the estimated sample size is 364 at $\alpha = .05$ level of significance (95% confident interval). A multistage cluster sampling technique was used to select the respondents from six local government areas (LGAs) in Kano. The LGAs includes; Kura, Danbatta, Gezawa, Wudil, Tudun Wada and Minjibir.

A structured questionnaire was used as an instrument for data collection and the questionnaires were administered to 400 respondents in which 364 were successfully retrieved. Data was collected within the period of four month from 16th August to 20th December, 2011. The instrument used to measure participation in decision making was adopted from the exiting literature and modified to suite the study areas. Participation in decision making instrument has 10 items with 5 points Likert scale options from 1 = Strongly Disagree to 5 = Strongly Agree. While the questions on socio-economic factors namely; level of education, nature of farming activity and type of farm produce were developed by the authors based on the nature of the study areas. The level of education has 4 options from 1 = Not educated; 2 = Primary School; 3 = Secondary School; and 4 = Tertiary Institution. Nature of farming activity has three options from 1 = Throughout the year farming; 2 = Rainy Season Farming; and 3 = Dry Season Farming. Lastly, type of farm product has five options from 1 = Rice; 2 = Wheat; 3 = Vegetables/Fruits; 4 = Grains; and 5 = Others. However, the options of each socio-economic factor were later converted to dummy variable (i.e. 0 and 1) for Spearman's correlation. As mentioned by Pallant (2010) that, Spearman's Rho correlation can be used to measure the strength of relationship between dichotomous independent variable and continuous dependent variable. Data was analyzed using SPSS version 20. Descriptive statistics was used to analyze the level of participation in decision making, and

Spearman Rho correlation was used to determine the relationships between socio-economic factors and participation in decision making.

3. Results

The main idea behind rural development program is poverty alleviation and empowerment through financial arrangement designed to help the rural poor to transform their socio-economic condition (Ndaeji & Abu Samah, 2013; Onafowokan, 2012). As pointed out by Magowan (2008), rural development program can be complementary processes which increases the rural people participation in decision making, self-esteem and social networks that enhances their ability to participate more effectively and successfully in income generating activities. Therefore, the following analysis in tables 1 and 2 illustrates the findings of the study.

3.1 Level of Participation in decision making

Table 1 below showed the analyses of items of participation in decision making. The main idea behind this section "level of participation in decision making" is to measure the level of how the respondents decide on their own in carrying out certain agricultural activities. The analysis shown that majority of the respondents took decision on their own in terms of participating fully in their own activities especially on farm management (M = 4.37, SD = 0.71), crop processing and production (M = 4.17, SD = 0.82), loan repayment (M = 4.24, SD = 0.82), interaction within their network (M = 4.17, SD = 0.82) and marketing their products (M = 4.27, SD = 0.78). And also the respondents used to decide on their own about types of crops to produce (M = 4.17, SD = 0.82), where to sale their products (M = 4.01, SD = 1.03) and decide to choose what is better for themselves (M = 4.00, SD = 1.00). Even though, the analysis shown that very few of the respondents were moderate and low in participation in decision making however, the authors concludes that there is high level of participation in decision making among rural farmers community in Kano with regards to participation in rural development program because majority of the respondents score high based on the overall mean score of 4.19 standard deviation of 0.81.

Table 1: Level of Participation in Decision Making (N = 364) (M = 4.19, SD = 0.81)

S/N	STATEMENTS	M	SD	LEVELS		
				Low 1-2.33	Moderate 2.34-3.66	High 3.67-5.0
1	I decide on my own on how to manage my farm activity and my farm products	4.37	0.71	11 (3.0%)	11 (3.0%)	342 (94.0%)
2	I decide on my own the kind and type of agricultural inputs that I'm using	4.34	0.54	2 (0.5%)	2 (0.5%)	360 (98.9%)
3	I decide on my own on how I make use of the loan I have collected	4.30	0.83	21 (5.8%)	6 (1.6%)	337 (92.6%)
4	I decide on my own on where to sale my farm products	4.27	0.78	20 (5.5%)	4 (1.1%)	340 (93.4%)
5	I decide on my own the time to be repaying the loan within the stipulated time period	4.24	0.82	21 (5.8%)	7 (1.9%)	336 (92.3%)
6	I decide on my own the type of crop to produce	4.17	0.82	21 (5.8%)	13 (3.6%)	330 (90.7%)
7	I decide on my own the kind of people to interact with, within our social network	4.17	0.82	21 (5.8%)	13 (3.6%)	330 (90.7%)
8	I decide on my own on what to do with my resources	4.05	1.00	43 (11.8%)	6 (1.6%)	315 (86.5%)
9	I decide on my own to whom I sale my farm products	4.01	1.03	53 (14.6%)	3 (0.8%)	308 (86.6%)
10	I decide on my own in choosing what is better for me among the advices given by individual or group	4.00	1.00	56 (15.4%)	3 (0.8%)	305 (83.8%)

Moreover, the analysis in table 2 below illustrates the relationships between socio-economic factors and participation in decision making. The Spearman Rho correlation analysis shown that, there was significant negative and medium relationship between level of education and participation in decision making (r_s = -.372, p = .000) therefore, H_1 is rejected. Similarly, the analysis indicated that, there was significant positive and low relationship between type of farm product and participation in decision making (r_s = .184, p = .001) thus, H_2 is rejected. However, the analysis revealed that, there was no significant relationship between nature of farming activity and participation in decision making (r_s = -.025, p = .641) so, failed to reject H_3.

Table 2: Correlation Matrix of Independent Variable with Participation in Decision Making

Variables	Y	χ_1	χ_2	χ_3
Y(Participation in Decision Making)	1			
x_1 (Level of Education)	-.372**	1		
x_2 (Nature of Farming Activity)	-.025	.140**	1	
x_3 (Type of Farm Product)	.184**	-.240**	-.481**	1

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

4. Discussion

This study examined the relationship between socio-economic factors namely; nature of farming activity, level of education and type of farm product, and participation in decision making. The results indicated the significant negative relationship between level of education and participation in decision making which is contrary with Akanji (2002), and in line with Emerole et al. (2008) findings. This means, people with higher level of education tends to have low level of participation in rural development project. This is a clear indication that, majority of people in the study areas did not acquire formal education because those who obtain knowledge (education) participate less in rural agricultural activities since they look for other opportunities within or outside their localities. For instance, those who got primary and secondary school leaving certificates can get a job at local government secretariats, schools, ministries etc. Moreover, those who have advanced certificates can secure a job in government and private organizations in urban city of Kano.

In addition, the analysis further revealed significant positive relationship between type of farm product and participation in decision making. This indicated that, as people produce more agricultural product, their level of participation in rural agricultural activities increases as argued by Iqbal (2010) that, there is significant positive relationship between agricultural production and decision making of the participants in the coffee IPM-SECP. This clearly indicated that the respondents benefits from participating in rural development project as their agricultural production increase in line with increase in participation.

In contrast, the result revealed that, there is no significant relationship between nature of framing activity and participation in decision making. This finding is contrary to Iqbal (2010) who shown that, there is significant positive relationship between nature of farming activity and participation in decision making in coffee IPM-SECP. This shows in real sense that, the establishment of the rural agricultural development program does not have much influence on the rural peoples' agricultural activities because farming has become part and parcel of their life. In the study areas, agriculture is the main occupation of the people therefore, the established agricultural development program through microfinance scheme only helped in enhancing their productivity but, the nature of their farming activities remain unchanged.

5. Conclusion

In conclusion, the finding of this study indicated inverse relationship between level of education and participation in decision making which means, the lower the level of education the higher the participation in decision making. This clearly indicated that, majority of people in the study areas are not educated since some of them who acquired educational qualifications look for better job opportunities. This is associated with the inadequacy of microloan disbursed to rural farmers in such a way that, the microloan is not enough to satisfy the socio-economic needs and expectations of the educated people. Therefore, the authors suggested that,

government should either increase the amount of microloan uniformly or give special consideration to educated people in order to curtail rural-urban migration for '*white collar*' jobs. In addition, the finding also indicated significant positive and low relationship between type of farm product and participation in decision making which means, people involvement in rural development program has low impact on their agricultural production. Thus, the authors recommends that, government should give more financial support to rural farmers in order to increase their capital base to enhance agricultural production in the study areas which may eventually lead to improvement in well-being of the farming communities. Finally, the finding unveiled the problem of low capital base among the respondents which leads to low level of production. And most importantly, the microloan does not attract the educated people among them which portrayed a potential threat to rural agricultural development and indeed drain labor from rural agriculture to urban city of Kano.

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