

Effectiveness Of Indigenous Credit - System And Livelihood Supports On Rural Cocoa Women Farmers In Nigeria

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Abstract: The thrift associations deserve particular attention, given their importance as a veritable vehicle for enhancing the livelihood activities of rural cocoa women farmers. This study was centred on the effectiveness of indigenous credit system on the livelihood activities of rural cocoa women farmers in Ondo State. Primary data of well structured interview schedule was employed to collect data from 100 respondents. Multi stage sampling technique was used for the study. Data analysed using descriptive statistics (frequency tables, percentages and mean). The hypotheses were tested using inferential statistics (Chi square and Spearman Rho). Results of the study revealed that the mean age of the respondents was 41 years. About 85% of them were Christians. Majority of the respondents has completed secondary school education. Majority (79%) were headed by males and the mean household size of the respondents was 5. Indigenous credit sources of the respondents include family and friends, money lenders, cooperative group, esusu/distribution and middlemen to start their farming. Family and friends was considered as the major source of credit which is more effective in managing their cocoa farms and other crops. There is significant relationship between the marital status, household heads and income and the use of indigenous credit sources. Also, there is a significant relationship between the effects and use of indigenous credit sources.

Keywords: Effectiveness, Indigenous, Credit - system. Rural women, Livelihood

I. INTRODUCTION

Ensuring that women have adequate access to financial resources is a key tenet of successful rural development strategies. Policy makers have long understood that rural women who cannot meet their needs for livelihood must settle for suboptimal strategies. Without adequate access to loans or insurance, women will not be financially buoyant enough to sustain their various farms and livelihood activities. In spite of the prominent role of women in the Nigerian sector, their access to credit facilities are limited by cultural norms and among others (UN, 2009).

Nigeria today, women are forbidden to inherit resources such as farm lands, lands and properties. As gender disparity/inequality is still very much on ground. Women have lower financial literacy levels than men have in both developed and developing countries. Limitation from the financial system is a significant disadvantage to a woman struggling for economic independence. Credit is one of the factors limiting the livelihood activities of rural women farmers, based on this, they are left with the option of indigenous credit system as the only sustaining means of loan access in their communities and beyond.

Rural women vary from one another according to what they do to live, where they are, what relationships they are in, what opportunities they have on access to and what decisions they are able to make. On the other hand, rural women share common experiences such as dependence on natural resources, seasonality of work, food and roles in the family and also face the constraint of repayment pattern. (Women's World Banking, 2010). Several people have given the age range of the rural woman to be between ages 15 or 18 and above (Bangladesh, 2009).

Livelihood activities range from agricultural activities, hand crafts, meaner works to marketing. If there is no improvement in the activities of the woman, the wellbeing of the family generally will be affected (FAO, 2011).

Rural households in developing countries are faced with myriad of problems; the most significant of these problems is inadequate access to credit. This limited access is the frequent cause of market failure which has a negative impact on rural dwellers productivity (Diagne and Zeller, 2001). When rural dwellers have access to credit under an appropriate structure and arrangement, it enables them to do whatever they do best and earn money from their farms crops especially on seasonal period such as Cocoa, kola, maize fish etc. Thus, credit is an essential input, and if there is limited availability, it becomes a constraint to production since expenditure must be limited to the available cash rather than to the productive potential (Ijaiya, 2010). Okafor (2000) observed that informal microfinance accelerates the flow of credit to small-scale enterprises and farms, which serves as a new engine of sustaining small-scale enterprises growth and balance development.

Clark (1999) also asserted that informal microfinance helps increase income when the credit is used for an income-generating activity and that activity generates returns in excess of the loan instalment repayments, while it builds asset when the credit-financed investment does not generate a significant net profit but create an asset since the investment remains with the clients. He argues further that such income-generating activity can consequently reduce poverty (Zaman, 1999).

Over the years, successive governments in Nigeria have tried to provide formal credit/savings mobilization opportunities in attempt to make financial resources available to the dwellers to improve their livelihood activities that could lead to economic development. Examples of these are rural banking scheme, community banks and microfinance banks but due to the major constraints of high collateral and interest rate, the people had to continue and stick to their indigenous credit systems which had long been into existence. As a matter of fact, indigenous credit system actually led to the idea of the modernized banking system. This uncertainly prompted the study to ascertain the effectiveness of indigenous credit systems on rural cocoa women farmers in the study areas on their livelihood sustainability with the following research questions:

- ✓ What are the socio-economic characteristics of rural women in the study area?
- ✓ What are the various types of indigenous credit systems used by rural women in the study area?
- ✓ What is the level of effectiveness of these indigenous credit systems to their livelihood farming activities in the study area?

- ✓ What are the reasons for the preferences for the types of indigenous credit system used?
- ✓ What are the constraints facing rural women in the type of indigenous credit system used?

OBJECTIVES OF STUDY

The broad objective of the study was to access the effectiveness of the indigenous credit system and livelihood on rural Cocoa women farmers in Ifelodun Local Government Area of Ondo State.

The specific objectives were to:

- ✓ ascertain the socioeconomic characteristics of the Cocoa women farmers in the study area;
- ✓ examine the various indigenous credit system utilized for their livelihood activities;
- ✓ determine the level of effectiveness of the various indigenous credit systems among the respondents;
- ✓ examine the reasons that influence their choice for indigenous credit system; and
- ✓ Investigate the constraints facing women in their use of indigenous credit system in the study area.

II. METHODOLOGY

THE STUDY AREA

The study was carried out in Ondo state, Nigeria. The state is one of the six Yoruba speaking states in the south-west of Nigeria. Ondo state lies between longitude 4°3" and 6°6" east of the Greenwich meridian and latitude 5°45" and 8°15" north of the equator. It occupies an area of 13,595 square kilometres. It is bounded in the south by Osun and Ogun states as well as the Atlantic Ocean, in the north by Ekiti and Kogi states, in the east by Edo and Delta states. Presently, the state is made up of 18 local government areas.

The major occupation of the people is agriculture. They cultivate arable crops and cash crops. Arable crops such as yam, maize, cassava, plantain, banana, tomatoes, pepper and vegetables, while the cash crops include Cocoa, Oil palm, Kola, Cashew and Coconut. They are also involved in livestock and poultry production.

A multistage random sampling technique was used in the study. In the first stage, Ifelodun was randomly selected out of the 18 Local Government Areas (LGA) in Ondo State. The second stage involved random selection of two (2) communities- Ibule Soro and Ilara Mokin from the list of communities within the LGA as provided by the Local Government Authority. In the third stage, fifty (50) respondents were randomly selected from each of the previously selected communities making a total of hundred (100) respondents from the two communities.

III. RESULTS AND DISCUSSION

SOCIO ECONOMIC CHARACTERISTICS OF THE RESPONDENTS (Age, Religion, Marital status, Education, Household heads, Household size, Primary and Secondary

occupations, Income of respondents, Years of experience and Credits sources participation).

Table 1: revealed that, (40%) of the respondents were below the age 35 years of age, (43%) were between the ages of 35-54 years, (15%) fell were within 55-73 years and 2% of the respondents were above 73 years of age. The average age of the respondents was 41 years. Religion also showed that majority (85%) of the respondents was Christians while (13%) were Muslim. The remaining (2%) were traditional worshippers. Figures on marital status revealed that majority (76%) of the respondents were married; while (16%) were widowed. about (7%) and (1%) were single and divorced, respectively. This implies that married persons dominate the study area, while (32%) of the respondents completed their education. Further study revealed on household heads with (79%) was male headed households and (21%) were female headed households. This indicates that a larger % was male and was quite enough in the assistance and support from their husbands especially in terms of finance. Household size between 1- 4 persons had (35%), (60%) had 5-8 Household sizes and (5%) had 9-12 family sizes. The average household size was 5. This indicates that family labour will be readily available and it supports the inference drawn from the respondents' marital status. On primary and secondary occupation, trading was primary occupation for (47%) of the respondents and secondary occupation for (27%) of them. Agriculture was primary occupation for (20%) and secondary occupation for (40%) of them. Artisan was primary occupation for (16%) and was secondary occupation for (14%) of the women. Processing was primary occupation to (10%) and secondary occupation to (15%). Crafts were primary occupation to (7%) and secondary occupation to (4%) of the respondents. This denotes that the respondents were more into trading, agriculture and processing as secondary occupations than others. Annual income of the respondents below N100, 000 was (24%), N100, 000 - 300,000 was (57%), N300, 000 - 500,000 was (19%). The average income of the respondents was N200, 660.

Years of experience of women in Cocoa farming in the study areas falls between 1- 9 years of experience in their various occupations was (23%), 10-19 years was also (23%), 20-29 years was (37%), 30-39 years was 12 years and 40-49 years was (5%). Membership of association on respondents' sources of ICS, 66% indicated family and relations, (27%) indicated friends, 13% indicated extension agents. (17%) indicated cooperative society and (2%) indicated media such as radio. This implies that ICS sources are majorly first heard of and known from family members. Credit sources participations revealed that (14%) of the respondents use the formal credit system and (86%) do not use. This eventually shows that rural Cocoa women farmers are very much in indigenous fund sourcing and not yet fully in the stream of formal system of accessing credits facility.

Socio-economic characteristics	Frequency (n=100)	Percent (%)	mean
Age			
< 35	40	40.0	
35-54	43	43.0	
54-73	15	15.0	
>73	2	2.0	41
Religion			
Christianity	85	85.0	
Islam	13	13.0	
Traditional	2	2.0	
Marital status			
Single	7	7.0	
Married	76	76.0	
Widowed	16	16.0	
Divorced	1	1.0	
Educational			
No formal	11	11.0	
Primary school attempted	1	1.0	
Primary school completed	17	17.0	
secondary school attempted	29	29.0	
secondary school completed	32	32.0	
NCE/OND	6	6.0	
HND/University	4	4.0	
Primary Occupation			
Trading	47		
Agriculture	20	20.0	
Processing	10	10.0	
Artisan	16	16.0	
Crafts	7	7.0	
Secondary Occupation			
Trading	27	27.0	
Agriculture	40	40.0	
Processing	15	15.0	
Artisan	14	14.0	
Crafts	4	4.0	
Household Heads			
Male	79	79.0	
Female	21	21.0	
Household Size			
1-4	35	35.0	
5-8	60	60.0	
9-12		5.0	
Formal credit participation			
Yes	14	14.0	
No	86	86.0	

HND/University

Source: Field Survey (2016)

Table 1: Socio-economic Characteristics of Respondents

Table 2: revealed that income distribution has favorable indices on Cocoa women farmers in the study area, because results gotten from the respondent's shows that (57.0%) has N100, 000 – 300,000 as income. This invariable indicates that women will do better if given the enable environment to access loan for farming than their male counterpart if given the opportunity.

Income distribution	Frequency (n=100)	Percentage (%)	Mean
<100,000	24	24.0	
100,000-300,000	57	57.0	
300,001-500,000	19	19.0	200,660

Source: Field Survey (2016)

Table 2: Income Distribution of Respondents

Table 3: Years of experience by the respondents has shown that most of the women farmers are active and young within the age of 20 -29 years in Cocoa farming and other agricultural activities with (37.0%) as the highest number of years of experience, while (10%) is been counted the lowest years of experiences gained by the women farmers in the study area. However, the chances of women in cocoa farming are more competitive than the male farmers due to their natural prudency management techniques especially on post-harvest operation in all agricultural farms activities.

Years of Experience of Respondents	Frequency (n=100)	Percentage (%)	Mean
1-9	23	23.0	
10-19	23	23.0	
20-29	37	37.0	
30-39	12	12.0	
40-49	5	1.0	12

Source: Field Survey (2016)

Table 3: Years of Experience of Respondents

Table 4: Findings on indigenous credit sources information have revealed that greater percentage of loan is acquired from family/ relations with (66.0%) and for cooperatives society is (2%) respectively been the least. This results connotes that women in Cocoa farming in the study area still have relief on loan payment on family/relations than cooperative society that poised higher percentage on interest rate when compare to family/relation that the possibility of interest free rate is possible guarantee.

ICS sources of Information	Frequency (n=100)	Percentage (%)
Family/relations	66	66.0
Friends	27	27.0
Extension agents	13	13.0
Cooperative societies	17	17.0
Media	2	2.0

Source: Field Survey (2016)

Table 4: Indigenous Credit Sources of Information



Source: Field Survey (2016)

Figure 1: Membership of Social Organization



Source: Field Survey (2016)

Figure 2: Formal Credit Participation

INDIGENOUS CREDIT SOURCES UTILIZED FOR LIVELIHOOD ACTIVITIES (START – UP)

Table 5: revealed the various indigenous credit sources used for starting up. The result showed that family and friends (67%) was the indigenous credit source used to start up the various activities embarked upon by the respondents (Ijaiya, 2010;Hazarika, 2008).

Indigenous Credit Sources percentage	Yes Frequency
Money lender	16
16.0	
Trade creditors	18
18.0	
Family and friends	67
67.0	
Esusu	29
29.0	

Source: Field Survey (2016)

Table 5: Indigenous Credit Sources for Startup

INDIGENOUS CREDIT SOURCES FOR EXPANSION

Table 6: revealed the various indigenous credit sources used for expansion by the rural cocoa women farmers. The result showed that family and friends has (63.0%) as the indigenous credit source used to start up the various activities embarked upon by the respondents (Ijaiya, 2010; Hazarika, 2008).

Indigenous Credit Sources	Yes Percentage frequency
Money lenders	10 10.0
Trade creditors	31 31.0
Family and friends	63 63.0
Esusu	55 55.0
Indigenous cooperative groups	6 6.0
Middle men	8 8.0

Source: Field Survey (2016)

Table 6: Indigenous Credit Sources for Expansion

INDIGENOUS CREDIT SOURCES FOR REGULAR RUNNING

Table 7: indicate that various indigenous credit sources used for regular running by the respondents. The result

showed that family and friends ($\bar{x}=3.61$) and esusu ($\bar{x}=3.10$) were the indigenous credit source used to regularly fund the various activities embarked upon by the respondents. This implies that rural women are more affiliated with their family and friends and are effective at savings which will boost their investment and increase the rural economy (Ijaiya, 2010;Hazarika, 2008).

ICS Mean Sources Used	Very Often	Often	Some times	Rarely	Not Used	Mean
Family and friends	28(28.0)	36(36.0)	17(17.0)	7(7.0)	12(12.0)	3.61
Esusu	40(40.0)	14(14.0)	3(3.0)	2(2.0)	41(41.0)	3.10
Money lenders	10(10.0)	7(7.0)	16(16.0)	13(13.0)	64(64.0)	1.86
Trade creditors	6(6.0)	2(2.0)	10(10.0)	18(18.0)	64(64.0)	1.68
Indigenous co-operative groups	20(20.0)	10(10.0)	10(10.0)	23(23.0)	37(37.0)	1.37
Middle men	1(1.0)	2(2.0)	4(4.0)	5(5.0)	88(88.0)	1.23

Source: Field Survey (2016)

Table 7: Indigenous Credit Sources for Regular Running

INDIGENOUS CREDIT SOURCES FOR RENTS PAYMENT

Table 8: explained the various indigenous credit sources used for rent payment revealed that money lender and daily contribution were used for rent payment by the respondents.

ICS Sources	Very Often	Often	Some times	Rarely	Not Used	Mean
Family and friends	32(32.0)	16(16.0)	9(9.0)	-	43(43.0)	2.94
Esusu	25(25.0)	8(8.0)	4(4.0)	6(6.0)	57(57.0)	3.38
Money lenders	13(13.0)	20(20.0)	7(7.0)	3(3.0)	57(57.0)	3.36
Indigenous co-operative group	13(13.0)	18(18.0)	12(12.0)	8(8.0)	49(49.0)	1.26
Middle men-	-	3(3.0)	1(1.0)	-	96(96.0)	1.21
Trade creditors	2(2.0)	-	2(2.0)	-	96(96.0)	1.12

Source: Field Survey (2016)

Table 8: Indigenous Credit Sources for Rents Payment

INDIGENOUS CREDIT SOURCES USAGE

Table 9: revealed the various indigenous credit sources used for expansion of farming. This result showed that easy access to fund ($\bar{x}=4.20$) obtain required fund ($\bar{x}=3.94$), timely fund ($\bar{x}=3.73$), convenient repayment pattern ($\bar{x}=3.46$) and effective monitoring by the indigenous credit sources officials ($\bar{x}=3.41$) are the reasons for the credit sources usage (Malyadri, 2013).

ICS Mean use reasons	Strongly Agree	Agree	Un-decided	Disagree	Strongly Disagree	Mean
Easy access to fund	49(49.0)	30(30.0)	13(13.0)	8(8.0)	-	4.20
Obtain required fund	35(35.0)	34(34.0)	21(21.0)	10(10.0)	-	3.94
Timely fund	8(28.0)	28(28.0)	33(33.0)	11(11.0)	-	3.73
Convenient repayment pattern	22(22.0)	20(20.0)	6(6.0)	34(34.0)	-	3.46
Effective monitoring	17(17.0)	18(18.0)	29	(29.0)	22(22.0)	3.41
ICS officials attention	6(6.0)	20(20.0)	16(16.0)	4(4.0)	-	2.72

Table 9: Indigenous Credit Sources Usage

LEVEL OF EFFECTIVENESS OF THE VARIOUS INDIGENOUS CREDIT SOURCES

The results in Table 10: revealed that the level of effectiveness of the various indigenous credit sources among the respondents family and friends ($\bar{x}=3.53$) and esusu ($\bar{x}=3.01$) were considered as the most effective indigenous credit sources as rated by the respondents.

Others including trade creditors ($\bar{x}=2.66$), money lender ($\bar{x}=2.45$), middlemen ($\bar{x}=1.50$) and indigenous cooperative groups ($\bar{x}=1.26$) were not considered as effective by the respondents. The reason could be that there is affiliation between the respondents and that they find it more confidential.

ICS Sources Effects	Very Effective	Effective	Un-decided	Ineffective	Very Ineffective	Mean
Family and friends	25(25.0)	35(35.0)	21(21.0)	35(35.0)	25(25.0)	3.53
Esusu	23(23.0)	31(31.0)	4(4.0)	6(6.0)	36(36.0)	3.01
Trade creditor	49(49.0)	10(10.0)	8(8.0)	16(16.0)	17(17.0)	2.66
Money lenders	7(7.0)	26(26.0)	12(12.0)	15(15.0)	40(40.0)	2.45
Middle men	9(9.0)	3(3.0)	7(7.0)	8(8.0)	73(73.0)	1.50
Indigenous co-operative group	21(21.0)	38(38.0)	9(9.0)	12(12.0)	20(20.0)	1.26

Source: Field Survey (2016)

Table 10: Level of Effectiveness of the Various Indigenous Credit Sources

EFFECTS OF INDIGENOUS CREDIT SOURCES ON VARIOUS ACTIVITIES

Table 11: shows the effects of indigenous credit sources on the various activities of the respondents. The result showed that indigenous credit sources had effects on crafts ($\bar{x}=4.71$), processing ($\bar{x}=4.45$), trading ($\bar{x}=4.32$), artisan ($\bar{x}=4.32$) and farming ($\bar{x}=3.49$). Reason could be that the conditions attached to the credit are comfortable for the respondents. This implies that indigenous credit system is effective for all the various activities of the respondents.

ICS on Activities	Very High	High	In-different	Low	Very Low	Mean
Craft	5(5.0)	2(2.0)	-	-	-	4.71
Processing	13(13.0)	16(16.0)	-	-	-	4.45
Trading	25(25.0)	20(20.0)	-	-	-	4.32
Artisan	15(15.0)	7(7.0)	8(8.0)	-	-	4.32
Farming	3(3.0)	21(21.0)	7(7.0)	8(8.0)	-	4.32
			6(6.0)	-	-	3.49

Source: Field Survey (2016)

Table 11: Effects of Indigenous Credit Sources on Various Activities

REASONS THAT INFLUENCE THE CHOICE OF INDIGENOUS CREDIT SOURCES ON RESPONDENTS

Table 12: revealed the reasons that could influence the choice of indigenous credit scheme. Results showed that the major reasons that influence the choice of indigenous credit system were: accessibility ($\bar{x}=3.78$), educational level ($\bar{x}=3.67$), simplicity ($\bar{x}=3.67$) and low/no collateral requirements ($\bar{x}=3.67$).

Other reasons include low interest rate ($\bar{x}=3.63$), peer influence ($\bar{x}=3.43$) and trans-generational reason ($\bar{x}=3.00$). This implies that all the listed factors influenced the respondent's choice of the credit source (Malyadri, 2013).

ICS Influencing factors	Very High	High	In-different	Low	Very Low	Mean
Accessibility	41(41.0)	43(43.0)	6(6.0)	9(9.0)	1(1.0)	4.17
Educational level	34(34.0)	29(29.0)	20(20.0)	9(9.0)	6(6.0)	3.78
ICS simplicity	27(27.0)	38(38.0)	16(16.0)	13(13.0)	6(6.0)	3.67
Low/no collateral	43(43.0)	23(23.0)				
Low interest rate	36(36.0)		6(6.0)	14(14.0)	14(14.0)	3.67
		16(16.0)	21(21.0)	9(9.0)	18(18.0)	3.63
Peer influence	40(40.0)	18(18.0)	17(17.0)	15(15.0)	10(10.0)	3.43
Trans-generational reasons	20(20.0)	19(19.0)	23(23.0)	7(7.0)	21(21.0)	3.00

Source: Field Survey (2016)

Table 12: Reasons that influence the Choice of Indigenous Credit Sources on Respondents

CONSTRAINTS FACING WOMEN IN THE USE OF INDIGENOUS CREDIT SYSTEM

Table 13: revealed the various constraints facing women in the use of indigenous credit sources. The results showed that access to little loans ($\bar{x}=3.88$) and unfaithfulness ($\bar{x}=3.62$) are the constraints facing the women in indigenous credit use.

This by implication means that there is very little demonstration and practice of bias in the sources such as cooperation and daily contributions. Also, it means that there is a reasonable amount of faithfulness in the women. (Women's World Banking, 2010).

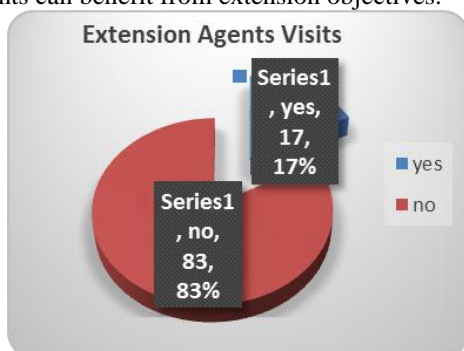
ICS constraints	Very High	High	In-different	Low	Very Low	Mean
Repayment pattern	34(34.0)	20(20.0)	10(10.0)	12(12.0)	24(24.0)	2.88
Little loans' access	16(16.0)	26(26.0)	19(19.0)	8(8.0)	31(31.0)	3.88
Long-time return	29(29.0)	25(25.0)	14(14.0)	18(18.0)	14(14.0)	2.77
Unreliable source	19(19.0)	17(17.0)	10(10.0)	19(19.0)	35(35.0)	2.66
High interest rate	24(24.0)	14(14.0)	8(8.0)	10(10.0)	44(44.0)	2.64
Unfaithfulness	14(14.0)	20(20.0)	15(15.0)	16(16.0)	35(35.0)	3.62
Group bias	25(25.0)	4(4.0)	6(6.0)	57(57.0)	8(8.0)	2.58

Source: Field Survey (2016)

Table 13: Constraints Facing Women in the Use of Indigenous Credit System

EXTENSION AGENTS VISITS

Figure 3 revealed that respondent's that were visited by extension agents were just (17%) while (83%) were not. This implies that the extension services needs improvement so the respondents can benefit from extension objectives.



Source: Field Survey (2016)

Figure 3: Extension Agents Visits

HYPOTHESES TESTING

HYPOTHESIS 1

H₀: there is no significant relationship between the personal characteristics of farmers and the level of use of Indigenous Credit Sources.

For this hypothesis, chi-square was used to test for the significant relationships between the socioeconomic characteristics and the level of use of Indigenous Credit Sources in livelihood activity regular funding. Of the various business funding categories, only regular funding was considered for this study.

Result of chi-square analysis on Table 14 shows that years has PV=0.28, $\chi^2=3.88$, educational attainment has PV=0.06, $\chi^2=11.81$, religion has PV=0.23, $\chi^2=2.99$ and household size has PV=0.33, $\chi^2=2.20$. Also, years has PV=0.15, $\chi^2=5.30$ primary and secondary livelihood activities has PV=0.33, $\chi^2=4.55$ and has PV=0.06, $\chi^2=9.20$ respectively. These are not significant.

Marital status of the women has PV=0.00, $\chi^2=14.19$, while household head has PV=0.00, $\chi^2=10.19$ and income has PV=0.01, $\chi^2=8.61$ which are all significant.

Variables	χ^2	Df	P-value	Decision
Years	3.88	3	0.28	Not significant
Marital status	14.19	3	0.00	Significant
Religion	2.99	2	0.23	Not significant
Educational Attainment	11.81	6	0.06	Not significant
Household head	10.19	1	0.00	Significant
Household size	2.20	2	0.33	Not significant
Primary livelihood activity	4.55	4	0.33	Not significant
Secondary livelihood activity	9.20	4	0.06	Not significant
Annual income	8.61	2	0.01	Significant
Years of experience	5.30	3	0.15	Not significant

Source: Field Survey (2016) Confidence level=95%

Table 14: Result of Chi-Square Analysis between Socio Economic Characteristics and Level of Use in Livelihood Activity Regular Funding

HYPOTHESIS 2

H₀: there is no significant relationship between the level of use of ICS sources for regular funding and the effects on the livelihood activities.

Result on Table 15 shows that the probability value of the level of use and effects of indigenous credit sources is 0.00 which is significant. This implies that there is a significant relationship between the effects of the sources and its use, meaning the null hypothesis will be rejected.

Variable	correlation Value	p-value	Decision
Effect of indigenous sources	0.55	0.00	Significant

Source: Field Survey (2016)

Table 15: Result of Analysis between Level of Use in Livelihood Activity Regular Funding and Effect of the Sources

IV. SUMMARY, CONCLUSION AND RECOMMENDATIONS

The research work was undertaken to assess the effectiveness of indigenous credit system in the livelihood activities of rural Cocoa women farmers in Ifelodun local government of Ondo State. The respondents were majorly involved in agriculture and trading as primary and secondary livelihood activities. Family and friends with others sources are source to start-up, expand, and regularly fund their activities.

There is significant relationship between the marital status, household heads and income of the respondents and the use of indigenous credit sources for regular running of farming and other activities with positive effects on indigenous credit source. From this study, it can be deduced that there is a high level of patronage of the indigenous credit sources and the sources of credit are effective to the various livelihood activities of the respondents in the study area. Esusu is another majorly patronized of all the credit sources of rural cocoa farmers / farming in the communities.

Women-in-agriculture (WIA) as a component in Agricultural Development Programme (ADP) is found not to extend extension services to the respondents as gender sensitivity issues, since rural women are not finding it easy to access loans due to weak and low female extension services in gender inclusiveness by policy makers in Nigeria. Commercial banks should network and collaborate with indigenous credit sources, especially women in agriculture to boost the respondent's access to higher credits with single digits interest rate as to motivate rural Cocoa women farmers to increase their productivity. On the Socio – economic misconceptions that women farmers generally do not have farming ideas, women are supposed to be subordinates to men in farming, low self esteem by the women etc; finance, information on technology innovations and for women to invest on male dominated Cocoa farms from their spouse should be discouraged. Finally, government should give women free access to acquire lands, credit facility without collaterals, because women have prove characteristics and been faithful in loan repayment than men.

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