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Access to Credit: The Case of Women in Pastoral and Agropastoral Communities of Gombe and Bauchi States of Nigeria.

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PREFACE

This policy brief is the second in the series of communication to policy and decision makers as well as other researchers on the on-going research project of the Centre for Population and Environmental Development (CPED) titled “Empowerment of Women in Pastoralism and Agriculture in Nigeria’s Sahel Region” funded by Supporting Pastoralism and Agriculture in Recurring and protracted Crisis (SPARC) under its Advancing gender equality in fragile food systems in the African Sahel programme.

CPED’s policy brief series is designed to draw attention to key findings and their policy implications as projects are being executed. This edition investigates Women’s access to credit in pastoral and agropastoral communities of Bauchi and Gombe with a view to promoting Gender equity.

We are very grateful to SPARC and IDRC for the support in implementing this project. We are particularly grateful to the Officer in charge of our project, Dr. Pauline Njiriani for her support to CPED which has enabled the Centre to continue the implementation of the action research project and the publication of this policy brief. We also appreciate the cooperation of policymakers in Bauchi and Gombe States for their collaboration with CPED in the on-going implementation of the project.

Introduction

Accessing credit by farmers is central to enhancing productivity and income (Vandi et al., 2022, Ibrahim and Aliero, 2012). Traditionally, farmers access credit facilities through formal, semiformal, and informal sources in various regions of the country (Olomola & Yaro, 2015). The formal sources include all formal financial institutions, especially commercial banks, micro-finance banks, and the Bank of Agriculture (BOA). Similarly, farmers can opt for credit from cooperative societies and other Non-Governmental Organisations (NGOs) which constitute the semi-formal sources of credit. Likewise, farmers can access credit through informal sources, particularly from family and friends, money lenders and women groups which constitute the informal sources.

Accessing formal credit which may be adequate for their farming needs has been stringent. The criteria are mostly beyond the socio-economic status of an average farmer (Vandi et al., 2022). Due to this challenge, most farmers rely on informal sources of credit for them to undertake agricultural activities (Aliyu, 2012). This situation for women is even worse due to some sociocultural factors (Olalade & Olagunju 2013). These factors include membership in a political party, income level, religious beliefs, and educational attainment (Olateju, 2018). In addition, due to the complexity of the administrative process, the inappropriate size of the loans and the high interest rates, women farmers are discouraged from applying for formal loans. Furthermore, Women's access to finance is often limited by the unavailability of collateral and asset-based financing (CBN, 2012). Consequently, women farmers receive less than 10% of the

credit offered to small-scale farmers in the Sahel region of Nigeria.

According to Fletschner (2009), financial institutions have discriminatory lending policies towards women, causing them to view women as inexperienced and hence, less desirable clients. Moreover, there is a lack of expertise among some institutions for the provision of products which are targeted at women's choices and limits. This situation is further compounded as women are less likely than men to have land titled in their names, even if their families own it, and they are less likely than males to have power over land, even if they technically possess it in most communities.

Additionally, factors such as limited decision-making power, and being in a rural area have been identified as some of the factors that exacerbate financial exclusion issues for Nigerian Women (Business Day, 2022) Women are also disadvantaged as they have smaller and less diverse networks and are less likely to receive referrals from people within their networks as well as social norms that constrain Women's demand for financial services in most African countries. Often, women are not expected or encouraged to have financial independence. Sometimes they have mobility constraints that make it difficult to engage with financial institutions. In most Sahel region, Women pastoralists generally have limited access to social capital and are confronted with challenges that arise from within women themselves, especially from their lack of confidence. The interplay of these factors continues to influence women pastoralists' access and utilisation of credit facilities.

Having improved access to credit facilities by Women pastoralist and Agropastoralist enables them to acquire farm inputs, technical support, and services. When Women have access to credit and own assets, they gain power and authority in their households and communities while lessening their risk of mistreatment (Gurmu, 2018). Thus, increasing women's access to credit is a step towards strengthening women's role in pastoral communities which will in turn reduce their vulnerability. Hence, this study investigates access to credit by women in pastoral and agropastoral communities of Bauchi and Gombe with a view to promoting Gender equity.

METHODOLOGY

This study is based on action research being implemented by Centre for Population and Environmental Development (CPED) with funding from International Development Research Centre (IDRC), Canada, through the SPARC program to support women and girls in Pastoralism and Agro-pastoralism in Nigeria's Sahel region. This is a mixed study that combined both quantitative and qualitative technique in data collection in Bauchi and Gombe States of the Northeast region of Nigeria.

The data for this study is derived from life history interviews conducted with respondents in Gombe and Bauchi States. A total of 24 Life History Interviews were conducted in 6 local government areas in both project states (Gombe and Bauchi States). Those interviewed included one adult male and one adult female of age 60 years and older as well as one adolescent male and one adolescent female of age 18 to 24 years

in each target LGA. Specifically, the adult participants of the life history survey in Gombe State were male 65 years in age and the female 63 years in age in Akko LGA, male 60 years in age and female 60 years in age in Billiri LGA, and male 73 years old and female 63 years old in Kaltungo LGA. The adolescent participants in the state were male 24 years old and female 18 years old in Akko LGA, male 24 years old and female 18 years old in Billiri LGA, and male 19 years and female 22 years old in Kaltungo LGA respectively. In Bauchi State, the adult participants of the life history interview were male 68 years old, female 60 years old in Dass LGA; male 68 years old, female 60 years old in Tafawa Balewa LGA; and male 60 years old, female 60 years old in Kirfi LGA. Subsequently, the Adolescents who participated in the life history interview were male 24 years old, female 24 years old in Dass LGA; male 24 years old, female 20 years old in Tafawa Balewa LGA; and male 19 years old, female 18 years old in Kirfi LGA.

FINDINGS

Access to credit for economic activities

Accessing credit by women farmers can substantially smoothen household consumption and reduce vulnerability (FAO, 2019a). During key informant interviews and focus group discussions, it was observed respondents displayed aversion to the risk of indebtedness, especially on the part of women. This aversion particularly prevented many from borrowing. Many women felt they did not possess enough livelihood skills to productively apply loans, or that they did

not have control over borrowing decisions and feared their husbands could misapply loans.

Table 1 indicates that generally a small proportion of both male and female respondents in Bauchi and Gombe States reported that they took loans for their economic activities in the last twelve months. In Bauchi State, 35.3 percent of the male respondents took loans while only 20.4 percent of the female respondents took advantage of any loan. In Gombe State, 23.1 percent of the male respondents took loans in the last twelve months while only 10.3 percent of their female counterparts had benefitted from loan facilities. As noted, earlier women are comparatively disadvantaged with respect to having access to credit for their economic activities.

Table 1

Percentage distribution of respondents that have taken a loan in the past 12 months.

Respondents' household members that have taken a loan in the past 12 months	Male	Female
Bauchi State		
Yes	35.3	20.4
No	64.7	79.6
Gombe State		
Yes	23.1	10.3
No	76.9	89.7

Some Key informants voiced their opinion as follow:

*The gap is much as to how the two genders access to capital. Men are mostly given special attention. They also have access to information unlike the women even if they have access to information unless the men give permission. Mostly women / girls have no or limited access to loan and savings. What they do is they secretly make contributions within themselves and loan it out to each other and the purpose of this is to send their children to school. In most families here in this community if the men knows that their wives have money or were given loan, they collect it and spend it without leaving them with a dime...**Billiri-Gombe-Male-Married-40-59years-Farming***

*Women access to capital mostly is hard and even when they have, they do have issues with their husbands who claim ownership and collect the money. But men easily access capital and have access to information more than women. They mostly handle their finances independent of their wives...**Billiri-Gombe-Female-40-59years-Married-Public Sector***

*Women have little or no access to capital and credit while men on the other hand have access to savings...**Akko-Gombe-Female-20-39years-Married-Livestock Production***

Factors Preventing Respondents from Accessing Credits

The survey also examined the factors which prevented the respondents who did not obtain any credit for their economic activities from doing so. Table 2 which shows the findings with respect to this issue indicates that in Bauchi State about 60 percent of the male respondents reported that credit facility was not accessible to them while 48 percent of the female respondents were in the same category. In Gombe State about 47 percent of the male respondents also indicated that lack of access to credit prevented them from taking loans compared with about 52 percent of the female respondents that gave the same reason. The findings further indicate that a significant proportion of the male and female respondents in Bauchi and Gombe States reported that they do not like taking loans. This can be explained by the fact that most of them are not properly informed about the benefits of accessing credit for their various economic activities which is a challenge to policymakers and other actors.

Table 2

Percentage distribution of respondents by the reason for not taking loan from any available sources

Respondents by the reason for not taking loan from any available sources	Male	Female
Bauchi State		
Interest rate was too high	8.2	6.2
Credit facility not accessible	59.8	48.2
I don't like taking loan	20.5	31.7
I did not have the required loan collateral	5.3	6.8
Unfriendly repayment term	4.1	4.6
My spouse did not approve of me getting loan	2.0	2.7
Gombe State		
Interest rate was too high	4.3	3.7
Credit facility not accessible	47.4	52.0
I don't like taking loan	35.7	29.8
I did not have the required loan collateral	6.2	6.9
Unfriendly repayment term	4.0	4.5
My spouse did not approve of me getting loan	2.5	3.1

RECOMMENDATION

Livelihood skills training

When women are trained on modern and effective methods of engaging in their livelihood activities, it will boost their confidence, eliminate the fear of inability to repay loans and make them will accept loans that will boost their production.

Training on Financial Literacy

Basic financial literacy training for women could equip women with the information and knowledge required to make good financial decisions and information on financial products and services, in accessing markets for inputs/outputs and services.

Creation of Pastoral/Agropastoral women's associations and forums

Women pastoralist and agropastoral will benefit if they are encouraged and supported to create groups as this will be an avenue to for learn from their peers. These groups could involve experts to provide relevant training and the support required from the various institutions providing financial services. Also, social network through group membership act as a channel for useful information sharing and help them to build a collective voice.

Provision of Credit Facilities

A vast majority of the respondents in both states noted that they were unable to access credit facilities because they are not accessible or readily available within their

local community. It is therefore imperative for Government and other relevant stakeholders to make special loan packages specifically targeted at Women pastoralists and agro-pastoralists.

Sensitization and Awareness

There is need for sensitization of men on the need to allow their wives to take loans to support their pastoral and agropastoral activities if the need arises. There is also the need for the creation of awareness by women themselves, through training and education as the major solution to achieving gender equality in pastoral society lies on the women themselves. In addition to ensure equality and empowerment of pastoral women, affirmative action, public awareness schemes, and support mechanisms should be developed and implemented.

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