

## Effects of Delta State Micro Credit Scheme on the Economic Well-Being of Women in Rural Areas of Delta State, Nigeria

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### Abstract

*This study investigated effects of the Delta State Micro Credit Scheme (DMCS) on the economic well-being of women in rural areas of Delta State, Nigeria. The objectives of the study were to: describe the socio-economic characteristics of women participating in the DMCS projects, identify DMCS activities in Delta State, and compare their socioeconomic status before and after participation in the DMCS. Data were collected from 135 respondents across the three senatorial districts of Delta State with the use of a structured questionnaire. Analysis of data was done using frequency counts, percentages, means and t-test. DMCS activities mostly engaged in by women in rural areas were aquaculture (76%), cassava processing (86%), soap/cosmetic manufacturing (75%), fish smoking (85%), hair dressing (52%), tailoring (43%), petty trading (75.6%), food vending (59%), fish processing (71%) plantain processing (71%) and oil palm processing (65.9%). Hypothesis test result showed that there was a significant difference between the socioeconomic statuses based on items possessed before and after DMCS participation by the women. The study established that DMCS had positive effect on the beneficiaries. There is need to sustain it and increase the level of awareness of DMCS activities among the rural populace.*

**Keywords:** Delta Micro Credit Scheme, poverty, economic well-being

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### Introduction

Poverty is a global phenomenon threatening the survival of humanity. Poverty is multi-dimensional. It is the condition that exists when people lack the means to satisfy their basic needs such as nutrition, housing, clothing and other essentials of life (World Bank, 2007). The phenomenon of poverty, its causes and manifestations are so complex that no society has been able to eradicate poverty completely, but the fight must continue through various government strategies, programmes and projects, that cut across various institutions in Nigeria (National Poverty Eradication Programme, 2007).

Poverty is one of the greatest challenges facing mankind today, whether in the developed or developing countries. The scourge of poverty across the world is undoubtedly, threatening global peace (NAPEP, 2007). Poverty in Nigeria has reached an alarming level, and is blamed on non-clear government social policies. Across the world, government plays a key role in poverty alleviation. In the case of Nigeria, the inability of successive governments to streamline and harness the enormous potentials for improved service delivery in all the existing structures of poverty eradication has resulted into persistent poverty (Ajayi, 2009).

Poverty cuts across all the states of the Nigerian federation. An analysis of the depth and severity of poverty in Nigeria shows that those worst affected by the poverty phenomenon are

rural dwellers and their rural environments. Several reasons accounted for the situation such as; many years of neglect of the rural areas in terms of infrastructural development and lack of information on the way government is being run (National Bureau of Statistics, 1999). According to Ike and Uzokwe (2011), the incidence of poverty in Delta State is highest among households in which the head is engaged in agriculture as the main source of livelihood and income.

United Nations (1997) noted that “no society can surely be flourishing and happy of which by far the greater part of the numbers are poor and miserable”. Therefore elimination of poverty is very important. To further her efforts at eradication of poverty, Delta State government launched her Micro Credit Scheme (DMCS) on December 14, 2007 through the then Governor, Emmanuel Uduaghan. The Delta State Government of Nigeria recognizes that poverty is a threat to the peace, security, socioeconomic development of the State and the human race in general. The Delta State Government acknowledges the contribution of microcredit delivery towards promoting productive self-employment, community development and diversification of the economy, especially to mainly an agro based economy (Delta Micro Credit Programme, 2013).

The DMCS facilitates access of the economically weak and disadvantaged segments of the population to productive assets and services with a view to making rural economies commercially active. DMCS does not disburse money or give equipment directly to clients. Instead, it promotes the subtle redistribution of wealth in partnership with microfinance banks in Delta State. DMCS participants are called clients, not beneficiaries. From inception in December 14, 2007 to May 2015 a total of 111,312 (one hundred and eleven thousand, three hundred and twelve) persons from 10,429 cluster groups, comprising 67,861 (sixty seven thousand, eight hundred and sixty one) women and 43,451 (forty three thousand, four hundred and fifty one) men were empowered in various micro enterprises. Nine cooperative societies were given a loan of ₦500,000 (five hundred thousand naira) per person. All loans of DMCS were micro (DMCP, 2013).

Well-being is a state of being with others, where human needs are met, where one can act meaningfully to pursue one's goals, and where one enjoys a satisfactory quality of life (Organization for Economic Cooperation Development, 2013). There has been widespread interest in adding to, and improving upon, existing measures of household income, consumption and wealth as part of a process of developing more comprehensive measures of human well-being. The wealth of an economy is measured by the value of goods and services such an economy can produce. It is not measured by a single product such as oil. The DMCS already has quite a large number of goods and services to display in the economy. The government has continued to respond in order to ameliorate the worsening conditions of the poor by shifting public expenditure towards poverty alleviation (DMCS, 2013). This study therefore examined the effects of the Delta State Micro Credit Scheme on the economic well-being of woman in rural areas of Delta State. The objectives of the study were to: describe the socioeconomic characteristics of female participants in DMCS projects, identify the primary DMCS activities of the women in Delta State, and compare their socioeconomic status before and after participation in the DMCS. A null hypothesis tested in this study was: There is no significant difference between the socioeconomic status of women before and after participation in the DMCP.

## Materials and Methods

This research was conducted in Delta State of Nigeria. Delta State consists of three (3) agricultural zones of Delta North, Delta central and Delta south agricultural zones. In selecting the sample for the study, the three zones were sampled. The population of the study comprised of rural women that had participated in the following DMCS activities namely fisheries enterprises, agro-processing, cloth-weaving, beads making and petty trading for at least four years. Simple random sampling, done on multistage basis, was used to compose the sample for the study. In the first stage, three (3) local government areas were selected at random from each zone. This gave a total of nine (9) local government areas. In the second stage, three communities were selected in each of the local government areas to give a total of 27 communities. In the third stage, five (5) women were randomly selected from each of the activity group from the 27 communities to give a total of 135 respondents. The main instrument that was used for data collection was a well-structured questionnaire. An interview schedule was used to collect information from those who could not read or write in English. The interview schedule was administered through the help of enumerators who were fluent in English and in the local languages of the respective areas. Data were analyzed using frequency counts, percentages, means, and the paired difference t-test.

## Results and Discussion

### *Socioeconomic Characteristics of Respondents*

Table.1 shows the socioeconomic characteristics of the respondents. The Table shows that the highest number of the respondents were between 28-47 years of age (62.2%). It means that they were young and within the active and productive years. There is therefore every likelihood that they would have the capacity to repay the loans within the 52 weeks specified. Prompt repayment of loans is what makes schemes of this nature sustainable and successful. The mean age of the respondents was 44 years. The results further showed that most rural women who are beneficiaries of DMCS were within the age bracket of 38-42 years (23.7%), indicating that majority of the beneficiaries were middle-aged and in their economically active age. The mean household size was 6 with as many as 46.7% having 5-8 persons in their households. The results on farm size revealed that 66.67% of respondents had farm sizes of 1-4 hectares, with a mean farm size of 2.4 hectares. Results obtained on respondents' income level per annum showed that 44.4% of the respondents earned between ₦ 20,000 and ₦ 120,000, while 6.67% of respondents had incomes of ₦720, 001- ₦ 820,000. The average annual income of respondents was ₦ 209,540.74 which translates to a monthly average of ₦ 17,461.73, and a daily average of ₦ 563.28 (< 2 US dollars) for a mean family size of 6. This confirms the findings of United Nations Children Fund (UNICEF, 2005) which reported that 70.8% of Nigerians live on less than \$1 (approximately ₦230 a day) which was the average currency exchange rate when the study was conducted. The implication is that rural women are poor. The results on marital status showed that many of the respondents (50.4%) were married and that most of them (92.6%) were Christians. Almost all of them (98.1%) had formal education which showed a high level of literacy. This is likely to have helped them in mastering the skills required in establishing their businesses quicker and better. The respondents were mainly mixed farmers (34.8%), traders (31.9%) and artisans (23.7%).

**Table 1: Socioeconomic Characteristics of Respondents**

Variable	Freq.	%	Mean N=135	Variable	Freq.	%	Mean N=135
<b>Age (Years)</b>				<b>Estimated annual income (₦)</b>			
28-32	24	17.8	44	20,000-120,000	60	44.4	209,540.74
33-37	18	13.3		121,000-220,000	29	21.5	
38-42	32	23.7		221,000-320,000	9	6.67	
43-47	10	7.41		321,000-420,000	15	11.1	
48-52	15	11.1		421,000-520,000	13	9.6	
53-57	13	9.6		621,000-720,000	0	0	
58-62	13	9.6		721,000-820,000	9	6.67	
63-67	10	7.41					
<b>Household size</b>				<b>Educational level</b>			
1-4	54	40.0	6	No formal education	16	11.9	
5-8	63	46.7		Primary	22	16.3	
9-12	18	13.33		Secondary	50	37.0	
				Vocational	10	7.4	
				Tertiary	37	27.4	
<b>Farm size (ha)</b>				<b>Main occupation</b>			
1-4	90	66.67	2.4	Farming	47	34.8	
5-8	27	20.00		Trading	43	31.9	
9-12	11	8.15		Artisan	32	23.7	
13-15	0	0		Civil servant	13	9.6	
16-20	7	5.18					
<b>Marital status</b>				<b>Religion</b>			
Single	24	17.8		Christianity	125	92.6	
Married	68	50.4		Traditional religion	10	7.4	
Divorced	16	11.9					
Widowed	27	20.0					

Freq. = frequency

The result on Table 2 shows that women living in rural areas participated in all DMCS activities, which were all income-generating and life-enhancing. This is in agreement with the findings of FAO (2011) that women have been identified as central role players in various activities of human endeavor, paramount among which is agriculture, where they make significant contributions to food production, processing and marketing. The result showed high participation in DMCS's agro-based activities.

**Table 2: Respondents' Participation in DMCS Activities**

DMCP Activities	Involvement	
	Frequency	Percentages
Petty trading	102	75.6
Palm oil processing	89	65.9
Cassava processing	86	63.3
Fish processing	85	63.0
Aquaculture	76	56.3
Soap/Cosmetics manufacturing	75	55.6
Plantain processing	71	52.6
Food vending	59	43.7
Hair dressing	52	38.5
Tailoring	43	3.9
Cottage industries	39	28.9
Bead making	33	24.4
Cloth weaving	8	3.3

### ***Socioeconomic Status of Women Before and After DMCS Intervention***

The results of the respondents' socioeconomic status indicators, in terms of possessions before and after DMCS intervention, are presented in Table 3. There was an increase in the level of procession of 12 items significant to the economic well-being of women in rural areas, while the procession of 2 items did not increase. The items that did not increase were personal boreholes and plots of land owned. The result indicated that the socioeconomic well-being of rural women improved after DMCS intervention. The socioeconomic status items that did not increase were relatively expensive to acquire and showed that the level of economic empowerment of women in rural areas was still not high enough to permit investments in very high economic ventures. The result showed that DMCS had highly significantly ( $P < 0.01$ ) enhanced the socioeconomic status of the beneficiaries of DMCS in Delta State.

**Table 3: Socioeconomic Status Indicators of Respondents Before and After DMCP Intervention**

<b>Items</b>	<b>Mean Before</b>	<b>Mean After</b>	<b>Mean D</b>	<b>SD</b>	<b>t</b>	<b>df</b>	<b>Sig. (2-tailed)</b>	<b>Remark</b>
Plots of land	0.63	0.65	.02	.99	.26	134	.796	NS
Personal Boreholes	0.16	0.21	.05	.60	1.00	134	.319	NS
Cars	0.27	0.32	.05	.53	5.54	134	.000	S
Chieftaincy titles	0.12	0.22	.10	.31	3.94	134	.000	S
GSM handsets	0.91	1.36	.44	.79	6.54	134	.000	S
Basins	2.15	3.87	1.72	.75	26.64	134	.000	S
Television sets	0.75	1.07	.32	.63	5.87	134	.000	S
Traditional attires	2.56	3.78	1.21	1.43	9.86	134	.000	S
Children trained	1.84	2.52	.67	1.30	6.01	134	.000	S
Executive chairs	1.11	2.81	1.70	1.51	13.03	134	.000	S
Personal generators	0.64	0.92	.28	.77	4.25	134	.000	S
George wrappers	1.71	2.40	.69	1.17	6.85	134	.000	S
Hollandis wrappers	1.49	2.47	.99	1.17	9.82	134	.000	S
Cement houses	0.13	0.61	.49	.60	9.52	134	.000	S
Motor bikes	0.17	0.53	.36	.54	7.80	134	.000	S

D = Difference; SD = Standard deviation; df = Degree of freedom; t = Student's t-value; S = Significant; NS = Not Significant.

### **Conclusion and Recommendation**

The study investigated the effects of Delta State Micro Credit Scheme (DMCS) on the economic well-being of women in rural areas of Delta State. Government alone cannot provide employment opportunities to its citizens. However, income- and employment-generating activities like those of the DMCS can play a potential role in reducing poverty. Therefore, DMCS as government tool of creating income and generating employment had positive effects on the beneficiaries. There is need to sustain it and increase the level of awareness of DMCS activities among the rural populace. This will make the women to use the various opportunities that may open to them in getting out of poverty.

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