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STRATEGIES FOR EFFECTIVE SAVINGS MOBILISATIONS A CASE STUDY OF SELECTED SAVINGS INSTITUTIONS IN CALABAR AGRICULTURAL ZONE OF CROSS RIVER STATE, NIGERIA

Ajah E A* & Eniang S V**

Department of Agricultural Economics, University of Calabar, Calabar, Nigeria

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Abstract:

This study examined strategies for effective saving mobilization in Calabar agricultural zone of Cross River state. It specifically sought to identify the, strategies for mobilizing savings, factors influencing savings mobilization and constraints to savings mobilization. The study used a purposive sampling technique to select 20 saving institutions in 3 LGAs out of 7 that were in the study area. Data were obtained from primary source using structured questionnaires and analysed through the use of descriptive statistics measures such as frequency counts, percentages and tables as well as inferential statistics such as multiple regression analysis. The result of the analysis showed that the most common saving strategy used by formal institution were advert and promotion (36.1%) and the most common for informal were group sensitization and minimum amount required to open an account were used to mobilize savings. Instruments like agric. saving scheme and children's education were used by both formal an informal saving institution to mobilize savings. Four variables were significant for determinant of savings mobilized, and these were, age of the institution (10%), minimum amount required to open an account (10%), value of institution asset (10%) and number of savers (5%). Illiteracy and lack of trust on saving institutions were the major constraints in mobilizing savings. Therefore, savings institutions should improve on their services so as to attract more savers.

Key Words: Savings, Mobilisation Strategies and Savers.

Introduction:

Back Ground of the Study:

In recent years, economist, international organisations and governments in developing countries have placed increasing emphasis on the mobilization of deposits, not only to increase domestic savings, to achieve sustained economic growth and development but also to strengthen domestic financial intermediaries (Adams and Vogel, 1986; Besley, 1995; Tesfamariam, 2012). In addition, the recent financial crisis has led to serious repercussions in the global economy because of deep economic and moral losses of investors (Bhalla, 1978). These events revealed the relevance of saving and especially its allocation in the nation economy (Bernhiem & Shoven, 1991). Indeed, saving is very important in the development of industrial and financial systems (Attanasio, 1998; Baharumshah et al. 2003). However, throughout the developing countries, poor people still face partial or full exclusion from the financial sector and cannot take advantage of the opportunities. The Nigerian financial system can be categorised into two; the formal and the informal system. The bank and non-bank organization makes up the formal system while the informal system comprises of friends, family members, traders, shop keepers, Rotary savings association (ROSAS) etc. (Igben & Eyo, 2002). Banks are statutorily vested with the primary responsibility of financial intermediation in order to make funds available to all economic agents. However, the extent to which these could be achieved effectively depends on the level of development of the financial sector as well as saving habit of the general public using banking services (Uremadu, 2002; Nnana et al 2004). The availability of investible funds is therefore regarded as a necessary starting point for all investment in the economy which will eventually translate into economic growth and development (Uremadu; 2006).

The swiss agency for development and cooperation (SDC) in its policy for financial sector development stresses the strategic importance of savings for development, in that savings promotes the autonomy of individuals, households and enterprises as well as financial institutions and the national economy. Desai and Mellor, (1993) & Odemero, (2012), viewed savings as the difference between current earnings and consumptions. Mobilization of savings should be an important source of funds for lending in rural sector, the extent to which savings can be mobilized depends on the availability of saving institutions the level of income, monetization of the economy, saving habit of the people and the distribution of saving institution in the economy (Awosika & Nwoke, 1983; Bime, 2007). Saving mobilization is carried out by financial/saving institutions which could either be formal or informal. Determinants of savings mobilization are the factors which decisively affects the nature or outcome of savings and also the factors that affects financial institution from gathering deposits from savers. In Nigeria, there is a lasting need to further step- up effort in mobilizing small savings both in urban and rural areas, given the poor savings culture of the Nigerian people and the theoretical link between savings and investment (Odoemenem et al 2013). Saving in the rural economy appears to be in monetized and non-monetized form. This could be attributed to the subsistent nature of the economy. It further implies that for a meaningful saving to be obtained, a sound saving mobilization must be pursued. (Odoemenem et al. 2013), One of the basic problems confronting the development of the agricultural sector in Nigeria could be attributed to inadequate savings and investment by rural farmers. Despite these problems, policy makers have not really drawn up adequate and comprehensive rural saving scheme that will ginger the farmers to invest their capital production. (Ogwanighie, 1997; Odoemenem et al, 2013).

Savings has strongly been noted as an important component to developing a strong rural financial system (Gonzalezvega, 2003). Its mobilization by peasant farmers has been difficult because of the peculiarities of the sector and the condition of small- scale farmers. Agriculture is characteristically risky and the transaction cost of providing financial services is to these farmers by financial institutions has remained high, this has led to exclusion of small scale- farmers by formal financial institutions (Ijere, 1992; Berke, 2001). Savings is important for accumulation of capital required to generate future income, enable future consumption and to provide mechanism for managing risk. Yet inability to build appropriate levels of institutional capital from member cooperative remains a major problem hampering their development in Nigeria. (Berko, 2001). In spite of the emergence and dominance of diversified set of formal institution, they have not been effectively involved in mobilizing saving potential of the rural sector; the reason for this mode of operation was not found on traditional system of saving and borrowing which is dependent on group dynamics. The formal institutions are therefore considered too sophisticated for the rural people, (Okoroeun 1982, Bime 2007). The major determinant of rural saving however in the meagre disposable income of the small farmer is the level of income which in turns influences the volume of saving, due to the low income base of rural dwellers they have not formed the habit of savings and as a result, formal saving organization shy away from doing business in rural areas, but even if savings bank exist in this areas; it is a well-known fact that rural people lack confidence in banks. In view of this, this study intends to address the following questions:

- ✓ What are the strategies for mobilizing savings?
- ✓ What are the factors influencing savings mobilization?
- ✓ What are the problems financial institutions encounters while mobilizing savings?

Literature Review:

Concept of Savings Mobilization:

Savings mobilization refers to creating safe and sound institution where savers can place their deposits with the expectation that they will receive the full value of their fund plus a real return upon withdrawal (Gardiol, 2004). Robinson, (2001) posited that appropriate deposit facilities and institutional structures are all that is required to ensure significant savings among the poor. Savings mobilization is the developing of appropriate products to satisfy the local demand for voluntary savings services and marketing those products to savers of varying income level, (Branch, et al.2000). Mobilization of savings is a contract between two parties: the institution receiving the savings and the individual placing the savings in that institution. For that reason services needs to operate within an established legal framework that identifies each institution under which criteria are able to receive savings from members or from the public. The legal framework should also identify what recourse saver have to recover their savings in times of crisis, (Branch, et al.2002). Savings are mobilized by financial institutions which can either be formal or informal. Savings institutions are able to mobilize savings effectively within the safety of adequate regulatory and supervisory framework. According to United Nations Developments Programme (UNDP, 1999), evidence shows that poor people save and that they need secured places to build usefully large sum of cash.

Bime, (2007) asserts that there is a dire lack of savings services for the poor as formal institutions do not reach them nor do these institutions generally accept very small deposit. Nnanna & Englama (2004) are of the view that the level of fund mobilization by financial institution is quite low due to a number of reasons ranging from low savings deposit rates of the poor, banking habit or culture of the people. According to them, another impediment to savings mobilization is the attitude of banks to small savers. International fund for agricultural development (IFAD, 2005), explains that it is the mobilization of voluntary savings that can have the strongest impact on the live of the rural people. Savings enables households to smooth consumption in the face of uneven income flow, to accumulate asset for future, to invest in children’s education and to be better prepared for emergencies. Therefore savings mobilization is capturing voluntary savings deposits, protecting them, managing them to fund loans portfolios, (Branch and Klaehn; 2000). The importance of savings mobilization cannot be over- emphasized as it deepens and expands outreach. Large numbers of customers choose to use savings services instead of credit as it help the poor to better organize their financial lives and deal with emergencies.

Strategies for Savings Mobilization:

These are strategies employed by savings institutions to attract savers to save with them. Different institutions use different strategies that enable them to reach out to their target clients. To effectively mobilize savings in an economy, the deposit rate must be relatively high and inflation rate stabilized to ensure high positive interest rate which motivates investors to save from their disposable income. According to Abayomi

(2011), there are certain factors that are sure recipes for successful savings mobilization for MFIs (Microfinance Institutions), they are;

Organization and Delivery Channels: As the closer the MFIs get to its customers the better the channel for mobilizing a large number of depositors.

Branch Network and Access Points: Savers need convenient and frequent access to their deposits and provision of technology to support branch connectivity and ease of access to savers thereby mobilizing a large number of depositors. Strategies for successful savings mobilization are re-engineering of business processes, model and organization, developing and implementing good marketing and promotional programmes to address perception of savers. Branch et al (2001) presents the following as the strategies for effective savings mobilization

Saving Products: they states that savings institutions must first convince savers that their deposits will be save and well managed .Then they design and offer products that will satisfy the service demand of clients in the local market .Branch based his discussion on the premise that savers look for institutions that can provide them with safety, convenience and returns in that order of priority. Formal institution must offer a range of products to satisfy the varying demand of savers. There must be a trade–off between liquidity(access) and returns(consumption).A continuum of saving product can be developed, ranging from passbook, account which offers complete liquidity and higher returns. Low-income earners and small savers have exhibited willingness to sacrifice returns in exchange for complete access to their funds, whereas larger and wealthier savers generally prefer to sacrifice liquidity in exchange for higher returns.

Setting Interest Rates: It determine the returns savers earn on their deposit and the price that institution pay for the use of the fund. According to Branch & Baker (2002), interest rates should be competitive with market rates, cost-based and positive in real terms above inflation. Managers of formal financial institutions should have the authority to increase or decrease the rate offered on savings to respond to market trends and remain competitive. Saving institution offers high interest rates on accounts with higher balances and lower interest rates on account with lower balances to encourage savers to increase their depo sits. For fixed term product, interest rate increases with the term to compensate clients for sacrificing liquidity for a longer period. Linnares, (2003), notes that trustworthiness and client confidence are critical to the continued existence of a saving institution. When several financial institutions in the local market can project safety and soundness (creating strong brands), clients will make their choices based on services and product offered. They will place their savings in the institution that best meet their saving needs. Financial institutions with solid brand (reputation) must distinguish their models (services) and options (products) to differentiate themselves from competitors. Savings institutions must develop new products when existing products does not meet local market demand .the first step in product development is determining if a saving institution meets clients demand. Various sources of information can be used to evaluate products including; clients complaints, staff observation, market research, competitors activities and natural financial market behaviour, and the next step is to take an appropriate marketing strategy. (Gardiol, 2004). Cifuentes, (2001), states that a saving institution should have a defined marketing plan in place, since marketing is a critical element in launching a saving mobilization programme .Saving mobilization depends on marketing, savers can only deposit their funds if they are aware of the services available to them. Savings institutions use a combination of sale media advertising, direct marketing and promotion to attract savers which will help in the identification and attraction of savers in the local market, improve competitiveness of service and to build up the public image of institution. Marketing savings profile the clients' use of financial services and compares the competitive characteristics of service: prices, terms, minimum balances, and convenience waiting periods, service varieties and sophistication of products. The primary objective of saving institutions are:

- To identify and attract net savers in local markets
- To improve the competitiveness of services and to build up the public image of the institution.

Bime, (2007) in her study on savings mobilization and rural credit market asserts that the most common saving mobilization strategy used by formal institution are advertisement and promotions and high interest payment while informal institutions use saving drive, promise to grant loans and group sensitization. According to her, formal institution use advertisement and promotional activities to attract customers to them and the methods used includes radio and television announcement, posters, pamphlet and even newspaper. With savings mobilization strategies like; low minimum balance requirement, increased interest rate, high quality client services and products and good promotional programmes to address perception of savers, institutions will gain trust of savers and savings will be mobilized.

How Savings are Mobilized by Informal Institutions:

No matter how poor a person may seem, she/he should be persuaded and encouraged to save as the income rises .Members should periodically(daily, weekly, monthly or quarterly on the periodic market days) save accordingly with their groups which can be effectively mobilized using the following procedures:

- ✓ The group must determine the amount to be saved by each member.
- ✓ A specific day should be agreed for payment of savings to ensure regular savings.

- ✓ Each member should be given a saving book into which amount saved are recorded by recorded by group official.
- ✓ The group should open a group savings account into which all members' savings will be deposit.
- ✓ The group should keep a general saving register to record monies collected from each member before sending to the bank .Information in the register should agree with what is in individual savings books.

The informal institutions are mostly preferred by rural households due to easy accessibility of the services.

Determinants of Savings Mobilization:

A study carried out by Bime (2007) on savings mobilization and rural credit market performance in the north west province of Cameroun using regression analysis showed that the type of institution involved in saving, value of asset and total number of depositors were significant. Value of asset: contrary to the *a priori* expectation, the value of asset is positively related to savings mobilized and significant at 1 per cent level. That is, increase in the value of asset of a person leads to increased mobilization of savings by the institutions. Type of institution: this was significant at 1 per cent level and negatively related to the amount of savings mobilized. This implies that the type of institution be it formal or informal does not play an important role in the amount of savings mobilized. Overtime, many researcher have tried to analyse the determinants of savings behaviour in rural areas (Zeller, 1997; Ike & Idoge, 2006). Uneze, (2013), in his study on socio-economic determinants of savings in cooperatives by farmers of selected agricultural group lending schemes in Anambra state, Nigeria using descriptive statistics and regression analysis showed that value of assets, off-farm income, age of household head, level of farm diversification and total value of farm loan were the significant variables affecting deposit mobilization.

Value of Asset: the result implies that the coefficient for value of asset is positive which suggest that the more the farmer acquires, owns or uses assets that are productive, the more his savings with cooperative increases.

Off-Farm Income: this had a negative co- efficient; off-farm income of respondents did not improve the farmer's ability to make deposit with their society. When off-farm income increases saving with cooperatives decreases showing an inverse relationship between saving and off-farm income.

Age of Household Head: this had a negative coefficient which implies that aging will bring about a decline in savings with cooperatives.

Total Value of Assets: it was found to be positive which shows a direct relationship with savings with cooperatives. It can be concluded that total access to loan has a net effect on savings such that an increase in access to loan will cause a rise in savings by farmers with their cooperatives.

Another study carried out by Sebahatu (2012), on determinants of savings behaviours of cooperative members survey evidence from Tigrai region of Ethiopia using least square method shows that gender, household income, amount of loan borrowed and year of cooperative membership significantly raise household savings .Household income positively related to the amount of savings mobilized showing that as income increases so will the amount of savings increase. Income positively influences savings. Hence, low saving level is as a result of low income level. Amount of loan borrowed was found to be significant and positive in this study, it can be concluded that credit access has a net positive effect on savings such that an improvement in credit access will bring an increase in savings. The result of this study also shows that increased year of member stay in cooperative are significant and positively related to amount of savings. This is because inbuilt mechanism that existed among the cooperative members enables them to be able to mobilize savings more than non-cooperative members. Odoemenem, (2013) in his studies on saving and investment pattern of small-scale farmers of Benue state, Nigeria using multiple linear regression model results showed that two variables were satisfactorily significant in determining savings where; income and sex. The result implied that income has a direct influence (positive) on the savings of small-scale farmers in Benue state. The positive sign of income confirms that income is in line with the a priori expectation that savings is a function of income. The ability to save depends on the level of income, other things being equal. Sex was positively related to the savings of small-scale farmers of Benue state and the result also shows that male farmers save more than the female farmers.

Another study by Ike and Umuedafe, (2013) on determinant of savings and capital formation among rural farmers in Isoko North Local Government Area of Delta state, Nigeria using descriptive statistics and multiple regression analysis showed that volume of savings is based on rural farmers' farm income, non-farm income, age of the farmer and the distance to formal financial institutions. Another study carried out by Odemero, (2012) on dual determinants of savings mobilization among agribusiness entrepreneurial groups in Edo state, Nigeria using descriptive statistics and multiple regression analysis showed that interest rate, farm income and age distribution of savers contributed significantly to savings mobilization. Interest rate was significant and positively related to savings among agribusiness entrepreneurial groups in Edo state. The positive sign shows a direct relationship between interest rate and savings, that is, at a higher interest rate savers will save more. Savings is influenced by multiplicity of economic variables, such as: the level of income, the accepted minimum living standard, inflationary expectation, taxation, and the level of interest rate a confidence in saving institutions. Income correlates positively and significantly to savings of financial self-help group in the area of study. The positive sign implies that increase in income of rural savers will translate to increase in the savings of self-help savings institution in the study area. Hence, income is a determinant of savings, the higher the income the higher the savings.

Age of rural savers correlated negatively and significantly with the amount of savings among self –help groups in the area of study. This result agreed with the life cycle theory which explains the significance of age in savings, it follows that people are likely to earn and save more during working age until they attain a maximum at retirement age, that is, savings is likely to drop after retirement. A study by Bime (2007) on savings mobilization and rural credit market performance in the North West Province of Cameroun using regression analysis (OLS) results showed that sex, income, interest rate and distance to savings institutions where the significant variables that affected savings. Sex of an individual was significant at 10% and was directly related to the amount saved, distance was significant at 5% level and inversely related to savings and in agreement with the a priori expectations, it therefore implies that the farther away the saving institution the less an individual is likely to save. Interest rate was significant at 1% level and directly related to savings.

A study conducted by Beverly and Sherraden (1999), in their study on household behaviour in Africa states that three factors were found to be determinants of savings behaviour of household in Africa. One of these was the ability to save which in turns depends on household disposable income and expenditure. The second was the propensity to save as influenced by socio-cultural and economic factors like the family’s obligation to educate children. The third one was the opportunity to save and the returns on savings. Browning and Lusardi, (1996) also revealed that high cost of living and social responsibility (20%) of rural respondents and (25%) urban households were responsible for not saving. Besides they found out that family size affects savings in a negative form, that is, people with large families do rarely save compared to those with smaller families. Furthermore, it was also found out that land holdings strongly influences savings positively. Bhalla. (1978) and Orebiy’s, (2005) in another study asserts that dependency ratio, resource ownership and expenditure pattern affects the decision of household savings significantly. Overall socio economic variable like income, level of education, interest payment, farm size, distance and household size where the major determinants for informal savings amongst vegetable farmers (Christensen,1993). Finally, the number of depositors was significant at 5 per cent level and directly related to the amount of savings mobilized. This findings agrees with the a priori expectation. The desire of rural institution is to expand their business activities by attracting more customers to themselves.

Research Methodology:

Study Area:

The study was carried in Cross River State, which is a coastal state situated in the South-South geopolitical zone of Nigeria, it is located between latitude 4° 28' & 6° 55' North of the Equator & longitude 7° 50' East of the Greenwich Meridian. It shares common boundaries with the Republic of Cameroun in the East, Benue state in the in the North, Ebonyi and Abia state in the West and Akwa Ibom state, Atlantic ocean in the South. The vegetation spans from mangrove swamps and rainforest in the South to derived savannah in the North. The vegetation and climate are therefore very diverse and so are the crops grown. There are lots of natural resources and great tourism potentials that have attracted international attention. The ethnic group in the states are many so are the dialects. There are eighteen Local Government Areas in the state and three agricultural zones. Zone one comprises of Calabar Municipality, Calabar South, Akamkpa, Biase, Odukpani, Akpabuyoand Bakassi LGAs (southern agricultural zone). Zone two comprises of Yakurr, Abi, Obubra, Ikom, Etung and Boki LGAs (central agricultural zone) and zone three comprises of Ogoja, obudu, Bekwara, Obanliku and Yala LGAs (northern agricultural zone). Agriculture is the mainstay of the people, the crops grown by farmers in the state include rice, yam, plantain, cassava, maize, melon, pumpkin, pepper, waterleaf, cocoa, oil palm, rubber etc. in the northern part of the state a common mixed cropping system that combines yam, cassava, melon, and maize is practiced. There are also rice farms in swampy areas, these rice plots may also be cultivated in the dry season as upland rice. Rice is a major revenue earner for the people. In Ikom, Etung and Boki LGAs and its environs cocoa production is the main cash crop, though plantain and banana are also produced, maize and melon are also important to the people of these areas. They also have diverse forest products from their surrounding forest. In the southern part of the state, oil palm, plantain, maize, cassava and vegetables like pumpkin, water leaf are important crops. Within the state the livestock kept includes; poultry, goat, pig etc. this is engaged by relatively small portion of the population. Poultry (layers and broilers) are the most common of the three. Some farm families undertake the selling of rice, cocoa, banana, palm oil and their combinations as major enterprises. These are mainly bought from producers, stored and resold to other marketers, retailers or consumers. The enterprise engaged in are most times more than one with one being the lead enterprise, which may also be the main source of income for the farm family.

Population Size: It comprises of all the savings institutions in the area.

Sampling Procedure: The population was sampled using a purposive sampling technique. 20 savings institution in the study area were sampled.

Method of Data Collection: Data were obtained from primary sources through the use of structured questionnaire. Questionnaires were administered to heads of customer service/officers in saving institutions. The questionnaires were drawn to elicit, strategies for mobilizing savings, determinants of savings mobilization and constraints to savings mobilization amongst others.

Data Analysis: The data were analysed using descriptive an inferential statistical measures such as frequency counts, percentages and tables and Multiple Regression Analysis the strategies for mobilization of savings was analysed using descriptive statistics, the determinant of savings mobilization was analysed using regression analysis and finally, constraints to savings mobilization was analysed using the descriptive statistics.

Model Specification:

The Multiple regression analysis was used to determine factors which influenced savings mobilization. Four functional forms namely, the linear, semi-log, double –log and exponential were tried out and the one that gave the best fit was chosen.

This model was implicitly stated as; For savings Mobilization

$Y = f(x_1, x_2, x_3, x_4, x_5, x_6)$

Where, Y= Annual value of savings mobilized in Naira

x_1= age of institution in years

x_2= minimum amount required to open an account in Naira

x_3= no. of instruments used

x_4= value of institution asset in Naira

x_5= interest rate on savings in percentage

x_6 = no. of savers

Result and Discussion:

Saving Mobilization Strategies:

These are the strategies employed by saving institutions to attract people to save with them. The different institutions used strategies that enable them to reach out to their target clients. These strategies are usually employed to increase their market value, income as well as to survive competition in the market. Table 1 shows that the most common saving mobilization strategies used by formal institutions were advert and promotion, group sensitization and bonus and award. Therefore 36.1% of formal used promo and advert to attracts customers to them, the methods used include; radio and television announcements, poster as well as newspaper, 27.8% used group sensitization, 13.9% used low amount required for opening account, 19.4% used bonus and awards while 2.8% used other strategies like brand name. From the table it can also be seen that group sensitization and low amount required for opening account were the most used by informal and both had 4.6% while 6.7% used advert and promotion.

Saving Mobilization Instruments:

Saving mobilization instruments are means used by institutions to generate more savings. These instruments are designed to enable the institution to meet the needs of savers at any particular period of time. They are usually used in combination with the normal saving mobilization instruments like savings, current and fixed deposit accounts. Table 2 shows that agricultural scheme, children's education and apprentice accounts were most popular for both formal and informal institutions however while children's education scheme recorded 31.0% for formal institution, it is higher in the informal institution 36.4%. These instruments used by the institutions are usually demand oriented and they tend to address peculiar needs of the people.

Constraints to Saving Mobilization:

Constraints to savings are those factors militating against mobilization of savings. The major constraints to savings mobilization from the formal were illiteracy (31.6%) and lack of trust (31.6%), others were; poor saving culture/ habit (21.1%), and indiscipline (15.8%) while (50.0%) were faced with lack of trust and difficulty in recruiting children of deceased members (50.0%) from the informal angle. Since some informal participants are not literate enough they pose great setbacks to the institutions.

Table 1: Distribution of Institution Based on Strategies for Mobilization of Savings

Variables	Formal		Informal	
Savings Mobilization Strategies	**Freq.**	**%**	**Freq.**	**%**
Advert And Promotion	13	36.1	1	6.7
Group Sensitization	10	27.8	7	46.7
Low Amount Required For Opening Account	5	13.9	7	46.7
Bonuses And Awards	7	19.4	0	0
Others	1	12.8	0	0
Total	**36**	**100**	**15**	**100**

Source: field survey, 2015

Multiple Response

Table 2: Distribution of Institution Based on Instruments Used in Mobilizing Savings

Variables	**Formal**		**Informal**	
Instruments used in savings mobilization	**Freq.**	**%**	**Freq.**	**%**
Agric. Saving Scheme	11	26.2	5	45.5
Children's Education	13	31.0	4	36.4
Apprentice Account	7	16.7	1	9.1
Life Insurance Scheme	5	12.0	0	0
Fire Insurance Scheme	5	12.0	0	0
Others	1	2.4	1	9.1
Total	**42**	**100**	**11**	**100**

Source: field survey, 2015
Multiple Response

Table 3: Distribution of Institution Based on Constraints to Savings Mobilization

Variables	**Formal**		**Informal**	
Constraints	**Freq.**	**%**	**Freq.**	**%**
Poor Saving Culture/Habit	**4**	**21.1**	**0**	**0**
Lack of Trust	**6**	**31.6**	**1**	**50.0**
Illiteracy	**6**	**31.6**	**0**	**0**
Indiscipline	**3**	**15.8**	**0**	**0**
Difficulty in Recruiting Children of Deceased Members	**0**	**0**	**1**	**50.0**
Total	**19**	**100**	**2**	**100**

Source: field source, 2015
Multiple Response

Variables that Determines Savings Mobilization:

The variables that influence savings mobilization are shown in table 4, four functional forms of linear, double log, semi log and exponential were tried and the double log form was found to be the lead equation of the regression. This is because it gave the best fit in terms of the coefficient of determination (R^2), adjusted R^2, the statistical significance of the regression and the expected signs of the regression coefficient. The regression result is significant at 1 per cent level and the value of the coefficient of multiple determination (R^2) which measures the overall goodness of fit of the entire regression shows the value as .870=87.0%. This indicates that the independent variables accounts for 87% of the variation of the dependent variable. This means that the variables included in the model are the major determinants of savings mobilization. Adjusted R^2 was .811; the F. Ratio was 14.557 and significant at 1per cent level implying that the joint effects of the entire included variables were significant. The coefficient of the age of saving institution was significant at 10 per cent level and positively related to the amount of savings mobilized. This implies that the older the institution the more people will willingly save with them. This is in line with the a priori expectation. Minimum amount required to open an account was significant at 10 per cent level and negatively related to the amount of savings mobilized in the study area. The result implies that the lower the minimum amount required to save, the higher the amount of savings mobilized. This is in line with the a priori expectation. This means that more savings would be mobilized if the minimum amount required to open an account is low. Value of institution asset was significant at 10 per cent level and directly related to the amount of savings mobilized. This implies that the higher the worth of an institution the higher the amount of savings mobilized. This is in line with the a priori expectation. Finally, the number of savers was significant at 5 per cent level and directly related to the amount of savings mobilized. This findings agrees with that of Bime (2007) and it also in line with the a priori expectation. The desire of institution is to expand their business activities by attracting more customers to themselves.

Table 4: Determinants of Savings mobilization

Variables	**Linear**	**Double Log+**	**Semi Log**	**Exponential**
Intercept	-844978201.3	5.064	8.099	212576554
	(-.315)	(2.030)*	(3.002)***	(.746)
Age of institution	86639588.21	1.709	.210	764312196.6
	(.782)	(1.996)*	(1.884)*	(.781)
Minimum amount required to open an account	-583390.392	-.427	-5.801E-005	-629140409.1
	(-1.033)	(-2.108)*	(-.102)	(-2.718)**
No. of instrument	592572308.0	1.286	1.656	438764357.2
	(.832)	(1.071)	(2.314)**	(.320)
Value of institution asset	.030	.356	6.232E-010	-166272485.5
	(.134)	(2.083)*	(2.735)**	(-.850)
Interest on savings	-1476286782	-1.645	-3.227	-1549746446

	(-.473)	(-.700)	(-1.028)	(-.577)
No. of savers	798.054	.506	3.850E-007	751671259
	(2.480)**	(2.373)**	(1.190)	(3.083)*
R^2	.433	.870	.750	.613
Adjusted R^2	.171	.811	.634	.434
F. Ratio	1.654	14.557***	6.492***	3.430**

Source: data analysis, 2015
Reject the null hypothesis at 1 per cent level
Figures in parenthesis are T- values
***, **,*= significant at 1, 5, and 10 per cent level respectively
+ lead equation

Conclusion and Recommendation:

Conclusion:

Mobilization of savings should be an important source of fund for lending in the rural sector, and the extent to which savings can be mobilized depends on the availability of saving institutions, the level of income, saving habit of the people and the distribution of saving institutions in the economy. The study therefore concluded that the key determinants of savings mobilization were; age of saving institution, amount required to open an account, value of institution asset and number of savers.

Recommendations:

- ✓ Banks should create a conducive environment for savers by creating friendly environments between the banks and the savers thereby strengthening savers trust on saving institutions.
- ✓ Governments should encourage commercial banks to establish banks to establish branches in the rural areas to reduce distance problems which will improve household heads savings.
- ✓ The informal institutions like OSUSU, ROSAs amongst others should be encouraged to do proper record keeping for proper accountability.

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