

1.0 INTRODUCTION

The most basic and vital role of a bank in a rural area is to help improve the socio-economic development and general standard of living of the rural dwellers as well as makes profits. The improvement of standard of living in this sense goes beyond the mere advising or educating people within the prescribed limit of their societal customs and tradition, but a real banking role in rural areas has to make provision for any technological innovation or change that may occur in this present dynamic business environment.

This provision should be in form of credit facilities that are given out to the people in order to help them finance their businesses to cope with the changes. Before launching of rural banking programme in 1977, the banking industry in Nigeria left much to be desired. The banking density, (i.e the number of person per bank branch) was one of the highest in the third world (Soludo August 2008). Banking services were grossly inadequate and one sided and as well there was a nearly total neglect of the rural areas as far as banking services was concerned.

The Central Bank of Nigeria (CBN) which apparently control the monetary policies of the economy, did nothing more than using mere persuasions at the banks annual dinner and some subtle means such as refusing to approve the opening of a new branch in the town for any bank unless a rural branch is simultaneously opened to make banks extend their services to the rural areas, where as 75% of rural Nigerians who constitutes the population of the country felt little or no impact of the banking industry (Central Bank of Nigeria Bulletin August 2008). The Nigerian Agriculture, Co-operative and Rural Development Bank (NACRDB) limited, as the foremost development financial institution which is set up to extend Agricultural credit to the agricultural and agro-allied sector of the Nigeria economy, has a crucial role to play in moving the Nigerian farmer from his present production level of basic subsistence to surplus agriculture. Peasant farmers at rural areas who need help and encouragement dominate 70% of the agricultural enterprise in Nigeria (NACRDB in house Journal 2009).

This was why government directed that 70% of the Banks Credit facilities should go to small-scale farmers. Any project in these sectors could be assisted by way of loans as the project seeking the assistance could satisfy the following general lending conditions:

- The aim and objective of the project are not in conflicting with the laws, byelaws or regulations of any government in the country.
- It must be economically desirable that is it must be of some value in the agricultural and general economic development of the country.
- It must be commercially viable by showing that it would make satisfactory financial returns on investment and be able to generate sufficient cash flow to service the loan in accordance with the agreed terms and conditions of the loans. Thus, NACRDB is

dedicated primarily to agricultural financing at the micro-and macro levels as well as micro financing of small and medium scale enterprises (NACRDB Journal July, 2009).

Socio-Economic development is the process of social and economic development in a society. Socio-economic development is measured with indicators, such as GDP, life expectancy, literacy and level of employment. Changes in less-tangible factors are also considered, such as personal dignity, freedom of association, personal safety and freedom from fear of physical harm, and the extent of participation in civil society. Causes of socio-economic impact are, for example, new technologies, changes in laws, changes in the physical environment and ecological changes.

The Nigerian Agriculture Cooperative and Rural Development Bank (NACRDB) limited, has four branches in Yobe State, the main branch in Damaturu town (the state capital), NACRDB Potiskum branch at Potiskum Local Government, NACRDB Gashua branch at Barde Local Government and NACRDB Nguru branch at Nguru Local Government.

One of the most difficult problems of the developing nations particularly Nigeria is that of developing the rural areas. The quality of life in the rural areas is still a major course of concern for development experts. The rural areas lack basic amenities such as portable drinking water, good roads, power supply, good housing and other essential institutions. Infrastructure for economic development are in most cases inadequate or completely, not existing in rural areas of Nigeria. The low utilization of modern agriculture production technique by the farmers and there low production technique results for small credit requirement.

It is in the light of the above problem/constraints that this study aim to analyze and identify the impact of Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) limited in Yobe State in its efforts towards establishing a strong and reliable credit facility system capable of solving all the aforementioned problems of rural areas which directly affect the quality of life of the rural dwellers.

2.0 LITERATURE REVIEW

Rural development is seen as multi-sectoral inter-ministerial coordinated set of activities programme aimed at improving incomes, welfare and employment opportunities of the rural people. He assessed that rural development should be integrated and should have a multi-sectoral approach rather than having its target on only agricultural development. William conceived of rural development not as a mere agricultural and economic growth alone but as the creation and fair sharing of social and economic benefit resulting to growth. This view implies massive effort to increase production create and spread employment and root out,

fundamental cause of poverty, diseases and ignorance, it again, implies a modernization which would not only increase the productive capacity but also change attitude replacing the sense of dependence on the natural environment by the desire and ability to manipulate it (Williams 1978).

The multi-sectoral coordinated set of activities which is brought by Williams is clearly shown that rural development is wide in scope, and if sound rural development want to be achieved a multi-sectoral approaches should be employed. This study however have shared with the Williams views and will go further to examine the development banks which was set up to accelerate the rural economic development through adequate funding of the preferred sector of the economy, to what extent that they gave reached to carry out such coordinated set of activities, which can lead to a sound rural development and to the general upliftment of the rural dwellers.

Thompson (1969), and Inkeles (1974), advance their position that rural life and rural institution have caused the non- development of the rural resources, rural society they argue are traditional societies whose social institution serve as impediment to rural resources development, the rural dwellers are conceived as being lower in intelligence and possessing less modernizing variables when compared to their urban counterpart, to them, urbanites are better human capital who could develop the resources around them. Therefore, the missing link in the rural resources development is rural human capital. Effort should therefore be geared towards the direction on taming the rural dwellers to make them become modern.

As regard to the Thompson and Inkeles stand, this study will however go beyond their views and it will transcend this limitation by providing to the real factor associated for the under-development, but it is okay for one to blame the rural dwellers as it was raised by Thompson and Inkeles for the rural resources under-development, because rural natural resources including the rural dwellers themselves, have been under-developed by factors internal to the rural area. Furthermore, the rural dwellers alienation originates from urban source and affects the ruralites motivation and subsequent productivity. Despite the criticism that we have established against the Thompson and Inkeles views, it is the opinion of this study to utilize their contribution that will serve as the central theme which will focus on the real problem of this study.

However, we will still go further to affirm that Thompson and Inkeles views cannot offer a satisfactory reason for this because of their non critical approach, as regard to this we can go further to take into account and examines the relationship that exist among the ruralites and their urbanites counterpart, to enhance a critical approach which would have revealed that rather than being traditional.

The underlying view of rural development in most of the literature has been a neoclassical one, according to this view rural area are people by natural persons, farmers large or small, who are held down in poverty by lack of complementary inputs such as fertilizers and credit and inappropriate prices and incentives structure. The task of developing rural areas was therefore essential reduction to supplying missing inputs and incentives.

According to Lee (1980), the process of modernizing traditional agriculture was expected to increase agriculture productivity and rural incomes and set up self-sustaining growth in agriculture, which would then be able to provide the resources to fuel industrial development. The asset in rural development policies was thus a delivery system. From this literature we therefore observe that Lee (1980) has succeeded in identifying the missing inputs and incentives as rural indices which lead to their underdevelopment. He went further to maintain that rural development policies should provide the missing inputs.

According to Ogunnika (1985), social observers are however alarmed when little or no change was noticed after the inputs advocated were supplied. He affirmed that modernization theories could not offer a satisfactory reason for this because of their non-critical approach. A critical approach would have revealed that rather than being traditional, the rural dweller is calculative and would not adopt any innovation that would not benefit him.

This view by Ogunnika positively attacked modernization theories that claimed inputs should be supplied, but did not take into account who benefit for the supplied inputs and incentives. Thus Ogunnika's works therefore has thrown light to the central theme of our study, and we can go further to examine whether the modernization theories did not address the problem into reality; nevertheless we can go along with Ogunnikan's view to demonstrate the non critical approach of the modernization theories to the non- upliftment of the rural dwellers.

Indachaba (1980) has accurately summarized the past Nigerian government rural development policies as follows: Rural development projects in Nigeria are more of a response to the needs of urban political economy than a response to the yearning of the people. The projects will command national attention in direct proportion to increasing problems of the urban political economy and the level of integration of rural development projects is directly proportional to the severity of the root problems of the urban as perceived by the urban elites and planners.

From these summarized literature therefore we observe that rural development project did not achieved the general upliftment of the rural dwellers but rather but are more of a response to the need of urban political economy. Our main concerned should go further to identify whether development banks are more of a response to the needs of urban political economy than a response to the yearning of the people.

Nyerere (1965), in his ARUSHA Declaration of January, 1965, declared his intention to build a socialist society in the rural areas of Tanzania where more than 90% of the population lived. The Ujama policy was the package. As a blue-print for both class stratification and the problem of raising productivity on the land, the Ujama policy is aimed at moving the country from being a nation of individual peasant producers who are gradually adopting the incentives ethnics of the capitalist system a system which, most of the farming will be done by a group of people who live as a community and work as a community.

Nyerere (1965) affirms that the rural dwellers alienation originates from urban sources and affects the ruralites motivation and subsequent productivity. He argued that the ruralites pay the bill for the amenities enjoyed by the urban elites. He declared “The greater part of the money we spend in town come from loan it shall have to be repaid just out of money obtained from urban and industrial development”. It is therefore obvious that the foreign currency we shall use to pay back the loan shall come from villagers and agriculture. It means that the people who benefit directly from development that is brought about by borrowed money are not the ones who repay the loan.

3.0 RESEARCH METHODOLOGY

The study employs survey research method; the data for the study was collected through personal interview with the beneficiaries from rural areas. A simple random sampling technique was used to select twenty (20) beneficiaries across the branches of the bank in the state to voice their views in relation to the impact of Nigeria Agricultural, Cooperative and Rural Development Bank to the Socio-economic Development of Rural areas of Yobe State. The questionnaire were also designed and distributed to the 20 senior members of the 4 branches of the bank in the state i.e five (5) copies of questionnaire to each branch. The population of the study comprises of 4 branches of NACRDB in YobeState. The responses were tabulated and the results were interpreted using descriptive statistics (mean).

4.0 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

The researcher aims at presenting and analyzing the data collected from the respondents. It would show the various distributions of responses to the question asked by the researcher through the use of questionnaire. These questionnaire were designed and distributed to the twenty senior staff members of four branches of the bank in the state i.e five (5) copies of questionnaire to each branch. These responses were tabulated and analyzed.

Decision Rule

Decision for each research question will be based on the rule determined as follows:

DR = Multiple options

Number of options

Where the multiple options are weighed as:

SA Strong Agree 4 points

A - Agree 3 points

D - Disagree 2 points

SD- Strongly Disagree 1 point

UD - Undecided 0 point

Therefore, multiple options = $\frac{4+3+2+1+0}{5} = \frac{10}{5} = 2$

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This implies that any research question with mean score less than 2 will said to be disagreed by the respondents and Mean score above 2 will said to be agreed by the respondents.

Testing of Hypothesis:

Hypothesis Statement

Ho: The vital role played by NACRDB in uplifting the standard of living of rural dwellers is not significant

Hi: The vital role played by NACRDB in uplifting the standard of living of rural dwellers is significant

Chi-square statistic enabled one to decide from the responses whether it is statistically significant and that how the observed value differs from the expected.

Chisquare Statistic is given as $X^2 = \sum \frac{(O-e)^2}{e}$

Where; X = Computed Chi Square, O = Observed Value, E = Expected.

4.1 RESULTS AND DISCUSSION

4.1 Interview Responses

Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) beneficiaries are the second target audience of the study, personal interview was used to get their views as regards of the operations of the bank. A simple random sampling technique was used to select twenty (20) beneficiaries across the branches of the bank in the state to voice their views in relation to the impact of Nigeria Agricultural, Cooperative and Rural Development Bank to the Socio-Economic Development of Rural areas of Yobe State. The responses are hereby presented.

Most of the respondents interviewed indicated their awareness of the existence of Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) in the state. This awareness refers to their knowledge of how to open an account, how to operate it, how to obtain loan. They know that all loan enquiries are directed to Branch Manager.

Based on the interview most of the respondents applied for bank loan and most were given. This indicates that farmers are willing to take loan if it is made available to them.

Most of the respondents agree that Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) played a vital role in uplifting the standard of living of rural dwellers through financing Agricultural and Agro-allied activities in the rural areas. As regards to interest charge by Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) most of the respondents are of the view that the interest is very high.

For the demand of collateral securities when given loans most of the respondents indicates that banks demand high collateral security when giving loan, and it has direct effect of preventing farmers from taking bank loan to boost their agricultural production.

As regards to services rendered by Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) in rural areas most of the rural farmers interviewed agreed that apart from the provision of loans to rural farmers to finance their agricultural activities, NACRDB provide banking services to their door step covering all business transactions that involves exchange of money.

In response to whether bank gives loan to all forms of agriculture most of the respondents testify that NACRDB grant loan to all forms of agricultural activities such as crop production, rearing of animals, poultry and fishery. Though they made mentioned that they accessed more loan on crop production than rearing of animal, poultry and fishery, this agreed with the view of NACRDB staff that the bank gives more priority to production of crops

4.2 Questionnaire Responses

Table 1: Has NACRDB in its activities played a vital role in uplifting the standard of living of rural dwellers?

Responses	Frequency	Percentage	Mean Score
Strongly agree	13	65	3.8
Agree	4	20	
Disagree	2	10	

Strongly disagree	1	5	
Undecided	0	-	
Total	20	100	

Source: Field Study, 2010

Table 1 shows whether NACRDB in its activities played a vital role in uplifting the standard of living of the rural dwellers, the results indicates that 18 (90%) of the respondents strongly agreed that Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) played a vital role in uplifting the standard of living of rural dwellers through financing agricultural activities to the rural populace. While 2 (10%) of the respondents disagreed. The mean score is 3.8, from the result we can conveniently said NACRDB are performing their function of financing agricultural activities effectively which has a positive impact of uplifting the standard of living of the rural dwellers.

Table 2: Does the bank charged high interest on loan?

Responses	Frequency	Percentage	Mean Score
Strongly agree	12	60	3.5
Agree	6	30	
Disagree	2	10	
Strongly disagree	-	-	
Undecided	-	-	
Total	20	100	

Source: Field Study, 2010

Table 2 reveals whether NACRDB charged high interest on loans, the results indicate 12 (60%), 6 (30%) and 2 (10%) of the respondents choose strongly agree, agree and disagree respectively. The mean score is 3.5, from the analysis a significant number of respondents agreed that the interest rates charged on agricultural loan is very high. The reason advanced for banks charging high interest rate is the fact that farming activities is like a game of chance, when there is enough and adequate rainfall there is possibility of having good and bumper harvest, but where the season experiences lack of enough and adequate rainfall the season will be bad in terms of quantity and quality of agricultural produce. For such reason, agricultural activities involve so many risks. Thus banks, charge high interest rate for loan giving to farmers.

Table 3: Do you agree that high collateral security prevent farmers from obtaining loan?

Responses	Frequency	Percentage	Mean Score
Strongly agree	-	-	2.6
Agree	12	60	
Disagree	8	40	
Strongly disagree	-	-	
Undecided	-	-	
Total	20	100	

Source: Field Study, 2010

Table 3 present the results on whether demand of high collateral security prevent farmers from obtaining loan, 12 (60%), 8 (40%) of the respondents strongly agreed and disagreed respectively, the mean score is 2.6, going by the respondent and the mean score of 2.6 which is above the mean score cut off point (2) the responses indicate clearly that bankers demand high collateral security when given loan and it has direct effect of preventing farmers from taking bank loan to boost their agricultural production.

Table 4: Does the bank extend other banking services to rural populace apart from Agric loan ?

Responses	Frequency	Percentage	Mean Score
Strongly agree	18	90	3.9
Agree	2	10	
Disagree	-	-	
Strongly disagree	-	-	
Undecided	-	-	
Total	20	100	

Source: Field Study, 2010

Table 4 shows whether the bank extend other banking services to rural populace apart from the loan, the results indicate 18 (90%), 2 (10%) of the respondents strongly agreed and agreed respectively, the mean score is 3.9. From the above analysis the study deduce that NACRDB apart from granting loan they extend other banking services like fund transfer, issuance of

bank draft, saving and deposit of money so as to take the banking services to their door step level and to encourage the rural populace to cultivate the habit of saving for rainy day.

Table 5: Does the bank gives loan to all types of Agriculture i.e crop production, livestock and fishery ?

Responses	Frequency	Percentage	Mean Score
Strongly agree	20	100	4.0
Agree	-	-	-
Disagree	-	-	
Strongly disagree	-	-	
Undecided	-	-	
Total	20	100	

Source: Field Study, 2010

Table 5 indicate whether NACRDB gives loan to all types/forms of agriculture, the responses show that the whole 20 (100%) respondents strongly agreed that the bank grant loan to all forms of agriculture be it crop production, livestock, fishery and many others. Hence it is concluded that NACRDB gives support to all forms of agricultural activities which in turn would eventually boost the sector as a whole.

Table 6: Does the bank give more priority on crop production ?

Responses	Frequency	Percentage	Mean Score
Strongly agree	20	100	4.0
Agree	-	-	-
Disagree	-	-	
Strongly disagree	-	-	
Undecided	-	-	
Total	20	100	

Source: Field Study, 2010

Table 6 shows whether bank gives more priority on crop production, the responses shows that the whole 20 (100%) respondents strongly agreed that the bank gives more priority on crop production when granting loan, the reasons advance by NACRDB staff is that it was a

government directives through Central Bank of Nigeria to support all aspects of agricultural and agro-allied sector of the economy particularly crop production so as to boost the food production in the country.

4.3 Testing of Hypothesis:

Ho: The vital role played by NACRDB in uplifting the standard of living of rural dwellers is not significant

	Value	df	Asymp. Sig. (2-sided)
Chi-Square	22.5	3	.021

The result of the Chi Square test shows a Chi-Square value of 45 with a degree of freedom (df of 3 and a P-value (Asymp. Sig. (2-sided) value of 0.021. Hence, with the result ($P < 0.021$), the null hypothesis is rejected and can therefore be concluded that there is a vital role played by NACRDB in uplifting the standard of living of rural dwellers is significant.

5.0 FINDINGS AND RECOMMENDATIONS

5.1 Summary of Findings

From the data collected and analysed, the study found out that:

1. The branches of Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) are not adequately enough to cover the larger population of our farmers who reside mainly in rural areas.
2. Lack of adequate social amenities like electricity supply, portable water, in the rural areas hindered the effort of Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) to pursue vigorously the objective of rural banking.
3. The interest charged on loans given by Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) to rural farmers is very high, this seriously discourages farmers from approaching bank to obtain loan.
4. The Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) demand high collateral securities which serve as a bottle neck to small farmers to access loan to finance their agricultural activities. Land, which constitutes one of the most important assets of the rural farmers, is not an acceptable security.

5. The study found that most of the branches of Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) limited are located in urban or semi urban areas not in rural areas having less representation in the rural areas where most of the agricultural activities are taken place.
6. The long term gestation period of some agricultural enterprises, such as animal husbandry and tree plantation are at variance with the orthodox banking principle currently practiced by Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) limited.
7. There is a statistical significance of the vital role played by NACRDB in uplifting the standard of living of rural dwellers. This implies that their level of input has direct multiplier effect on the socioeconomic life of rural communities.

5.2 Conclusion:

The role played by NACRDB in socioeconomic development of rural areas of Yobe state, Nigeria cannot be overemphasized. The diverse ways of empowering the local economy which is agricultural is dependent on the level of input and multiple structures put in place to ensure implementation of the projects. Most of times, several politico-social differences and high level of selfish manipulations leading to increasing interests beyond the capacity of rural dwellers and not dealing from grassroot position can affect the flow of income for the purpose it was meant to accomplish. Therefore, there is need to adopt new methods of enhancing effective outcomes in the course of attempting to boost rural economies.

5.2 Recommendation

Based on findings, this study recommends the following:

1. Government should establish many branches of Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) particularly in agricultural advantage state to boost agricultural activities at the grassroots level.
2. The Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) should open up agencies in the core rural areas where most of the agricultural activities are taken place to extend the banking services to the door step of the rural dwellers.
3. Government should provide adequate enabling environment for favourable economic activities in the rural areas, to permit Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) to pursue vigorously the objective of rural banking.
4. Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) should reduce the interest charged on loans given to rural farmers this would seriously encourages farmers to approach bank to obtain loan to boost their productivity.

5. Government, private, enterprise and research institute should effectively mobilize research efforts in the provision rural infrastructure, since the issue of research in the rural infrastructure has been given very little or no attention, there is the need for a dynamic and purposeful rural infrastructure research policy.
6. The Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) should soften the conditions for obtaining loan especially the demand for high collateral securities which serve as a bottle neck to small farmers to access loan to finance their agricultural activities. Land, which constitutes one of the most important assets of the rural farmers, should accepted collateral.

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