

CORRELATION BETWEEN POLITICAL DISTRUST AND ATTITUDE TOWARDS GOVERNMENT CREDIT FACILITIES AMONG SMALL-HOLDER FARMERS IN ENUGU STATE, NIGERIA

Cuthbert I. Anochili*

*Department of Agricultural Education
Enugu State College of Education, Technical, Enugu*

***Corresponding Author:-**

Abstract

The present paper examined political distrust as a factor that could correlate with smallholder farmers' attitudes toward accessing government credit facilities. As the study's participants, two hundred and six (n=206) smallholder farmers were conveniently pooled from different locations in Enugu states. A correlation research design was employed in the present paper. The data collected with the instrument were analyzed using the statistical package for social sciences (SPSS, Version 23). A Pearson's product-moment correlation was computed to determine the correlation between political mistrust and smallholder farmers' attitudes towards accessing government credit. The analyses revealed that the relationship is linear. Indeed, both variables were normally distributed, as observed in the Shapiro-Wilk test ($p > .05$). Also, there were no outliers. However, the analysis showed a statistically significant positive correlation between political mistrust and smallholder farmers' attitudes towards accessing government credit, $r(204) = .46, p < .001$. Most importantly, the R^2 indicated that political mistrust explained about 21.2% of the variation in smallholder farmers' attitudes towards accessing government credit facilities in Southeast Nigeria. The result has implications for research and food production.

Keywords: *political mistrust, government, credit facility, smallholder, farmers*

INTRODUCTION

Agriculture is one of the major forces to reckon with in any nation's employment rate and the overall economy (Eweoya et al., 2021). It represents the primary occupation of the majority of Nigerian living in rural communities. Some major food products such as cocoa, yam, maize, and various food crops are primarily produced by smallholder farmers in developing countries, including Nigeria. Smallholder farmers may face significant risks because they lack the skills, technology, and financial resources needed to create a marketable surplus or offer customers the quality, quantity, and types of commodities they want (Reardon et al., 2009). Food crop production by smallholder farmers in Nigeria is particularly vulnerable to funding, given the demand for increased yield coupled with limited resources. Nigeria's agriculture industry has remained mainly underdeveloped. This is due to the insufficient public sector support in the many agricultural value chains, including smallholder farming.

Smallholder farmers have been commonly assumed to be a fundamental element in the agricultural ecosystem of every society. Smallholder farming reflects an essential pathway to addressing the challenges of unemployment, food insecurity, poor socio-economic development, and poverty assuagement (Agholor & Nkosi, 2020; Danso-Abbeam et al., 2021; Dawuni et al., 2021; Deresse & Zerihun, 2018, 2018; Hlatshwayo et al., 2021; Magistro et al., 2007; Megerssa et al., 2020; Oluwatayo, 2019; Oruru & Njeru, 2016; Stratton et al., 2020; Wang et al., 2021; Wangu et al., 2021; Zhang et al., 2021). Smallholder farming has attracted substantial research attention from academics and practitioners in the last few decades. Indeed, most research in small-scale agriculture focuses on building a conceptual framework to address the sector's underdevelopment. Importantly, agricultural research has highlighted the importance of an influential entrepreneurship culture to support the poor population in building an alternative to a declining economy, boosting diversification, and reducing reliance on the government and importation.

Most farm holdings in Africa are smaller than two hectares (Kamara et al., 2019). Most of these farms are run by rural smallholder farmers who rely on agriculture for their livelihood. They are, however, limited by a lack of capital assets that would allow them to boost agricultural output, food security, and revenue. Literature abounds emphasizing the common challenges confronting the growth and development of smallholder farming (Agholor & Nkosi, 2020; Daum & Birner, 2017; Deresse & Zerihun, 2018; Hahlani & Garwi, 2014; Kalinda, 2019; Mapiye et al., 2021; Megerssa et al., 2020; Odero-Waitituh, 2021; Salami et al., 2010; Von Loeper et al., 2016). Accordingly, Jellason et al. (2021) noted that more prolonged droughts, desertification, the impact of Lake Chad drying, armed conflicts, and extreme weather events are all possible long-term climate changes that might impede the resilience of smallholder farmers. Moreso, Abdul-Rahaman, and Abdulai (2022) stressed that financial exclusion continues to be a significant challenge for smallholder farmers' participation in agricultural value chains in developing countries. Despite these obstacles, smallholders significantly contribute to the rural economy and play a key role in natural resource protection. For agricultural practice to be meaningful, one of the enabling factors is addressed by the availability of adequate credit to finance agricultural production (Enimu et al., 2018). Agricultural credit plays a vital role in input acquisition among farmers for improved agricultural value productivity (Dawuni et al., 2021).

While access to credit in Nigeria remains a huge challenge, there is a clear understanding that credit facilities contribute immensely to the nation's agricultural potential. The government has made many interventions through the Central Bank of Nigeria (CBN) and other governmental institutions to offset the economic effect of recent times, particularly on agriculture. For example, the current commercial agriculture credit program, SME credit guarantee scheme, and real sector assistance facility are among the CBN's intervention facilities. Also, the one-year moratorium and reduced interest rate are among the various government initiatives geared toward improving business activities in the country, particularly in economic predicaments. Indeed, the government credit schemes are open to businesses, especially farmers across all country regions, that meet the stipulated requirements for accessing the credits. However, there are reports that most smallholder farmers do not take advantage of government assistance programs. There are indications that most smallholder farmers in Nigeria's southeast area have difficulty receiving loans, particularly from the government. At the same time, a lack of financial education, injustice, and perceived regional attitude may deter most smallholder farmers from taking advantage of the government's credit efforts. The present study assumes that the public's rising skepticism of political institutions might prevent most smallholder farmers from accessing credit facilities from the government.

Political distrust is a developing issue in all societies in today's political environments. Notably, suspicion of the government is spreading throughout several established democracies (Bertsou, 2019). Several characteristics of events in several political systems during the last decade might be traced to rising indications of citizen mistrust of government and the political environment. Political distrust is a concept that defines interpersonal attitudes that reflect sentiments of dishonesty, fraudulence, and disgust toward the political system and its base. People's unfavorable opinions against the government and its institutions are called political distrust. Indeed, the Nigerian government and political system have been chastised for various reasons, ranging from failure to keep pledges to partiality. The government consistently ranks as the least trusted entity in the Edelman Trust Barometer 2020. Citizens have long lost faith in the government's ability to address contemporary concerns.

The government's failure to perform its primary responsibilities and keep political pledges is generally the catalyst for citizens' mistrust of the political system. In most circumstances, it is thought that political institutions require technical knowledge, unique skills, abilities, and an understanding that failure jeopardizes the political ecosystem's functioning. The public understands that the government and other essential state entities are critical to the country's economic survival. On

the other hand, the increased dishonesty and failing policies of political institutions exacerbate citizens' feelings of mistrust. As a result, nationalism is declining, and views are shifting. Suspicion, in particular, deepens anti-patriotism and lowers the willingness to accept and support government actions and programs. On the other hand, indications indicate that political uncertainty weakens public collaboration and encourages disunion.

The present study

In Nigeria, agriculture has offered a significant role in poverty and hunger reduction by engaging many in employment, increasing food security, and supporting the country's economic gross domestic product (GDP). It is a critical component in achieving the Millennium Development Goals (MDGs) for long-term development. Agriculture is gradually changing from the old way to a new system for increased productivity (Chandio et al., 2019; Hussain & Thapa, 2012; Jan et al., 2017). The improvement in the agricultural ecosystem cannot be derived without the availability of efficient credit facilities. Agricultural credit has a dominant role and is a critical element in attaining food security and developing the agricultural sector. Therefore, agriculture credit has massive demand in the agricultural sector to boost its production. However, credit access from formal sources is frequently challenging for smallholder farmers, primarily due to inadequate collateral or other circumstances (Hussain & Thapa, 2012; Jan et al., 2017). Government credit facilities targeting the agricultural sector are an essential farm input for improved crop yield and accelerating agricultural modernization and economic development (Benjamin et al., 2015).

Although credit has a chief role in agricultural production, most farmers, however, do not have easy access due to bureaucracy and complicated application procedures and restrictions by formal lending institutions, inadequate valuable assets, business size, oligopolistic nature of some financial institutions and partialities by commercial banks, educational level, proximity to credit source, including the types of credit source, and collateral requirements, (Etonihu et al., 2013; Nyaga & Nzulwa, 2017; Oke et al., 2020). This suggests that numerous factors have long hindered access to credit facilities. Most importantly, research examining the effect of political mistrust on the willingness to access government credit programs is lacking in the literature. Notably, recent research has underscored the impact of political distrust on citizens' conformity and acceptance of government policies (Bannaji, 2008; Ezeibe et al., 2020). Thus, the primary purpose of the present study is to investigate political mistrust as a scarcely explored variable that could explain the variations in attitudes of smallholder farmers towards accessing government credit facilities in the South-East of Nigeria.

Hypothesis: There is a positive correlation between political mistrust and smallholder farmers' attitudes towards government credit facilities.

Method

The population for the present study was smallholder farmers in rice, vegetables, and livestock farming. They were approached in different farming communities in Enugu states, Nigeria, between April and June 2022. Notably, the participants were made to understand the study's objective, and they were equally told that the survey was intentional and they could step out anytime they wanted. In total, two hundred and twenty-six smallholder farmers who consented to participate in the study were given the questionnaire to fill on the spot. After that, the questionnaires were collected and arranged accordingly. On observation, twenty-one of the returned questionnaires were incompletely filled. Hence they were discarded. However, only the adequately completed questionnaires (206) were used for further analysis.

Measures

The instrument used for data collection was a structured questionnaire. The questionnaire items were developed from relevant literature and designed to assess information relating to political mistrust and overall attitude towards government credit facilities on a five-point Likert-type scale. The questionnaire was divided into two sections: 1 and 2. Part 1 measures cognitive, affective, and behavioral assessment of the political system. Part 2 includes questions relating to previous experiences and perceived decency in the distribution of credits by the financial institutions. Thus, the measure was subjective, and respondents must self-report their conception of the variables. However, a Cronbach Alpha 0.72 coefficient was recorded for the scale following a pilot study using participants outside the study population.

Result

A correlation research design was employed in the present paper. The data collected with the instrument were analyzed using the statistical package for social sciences (SPSS, Version 23). A Pearson's product-moment correlation was computed to determine the correlation between political mistrust and smallholder farmers' attitudes towards accessing government credit.

Table 1:
Table showing correlation between the main variables

Variables	M	SD	1	2
1. Political mistrust	3.66	0.34	.12**	
2. ATGCF	4.82	0.42	-.33	.46**
R^2	.212			

Note. ATGCF- Attitude towards government credit facilities; N = 206, ** = $p < .01$ (two-tailed).

Two hundred and six respondents completed the study's instrument. The analyses revealed that the relationship is linear. Indeed, both variables were normally distributed, as observed in the Shapiro-Wilk test ($p > .05$). Also, there were no outliers. However, the analysis showed a statistically significant positive correlation between political mistrust and smallholder farmers' attitudes towards accessing government credit, $r(204) = .46, p < .001$. Most importantly, the R^2 indicated that political mistrust explained about 21.2% of the variation in smallholder farmers' attitudes toward accessing government credit facilities in Enugu State, Nigeria.

Discussion

The primary purpose of the present study was to determine the variation in the attitudes of the smallholder farmers towards accessing the government credit facilities based on political mistrust. The Pearson product correlational result found that political distrust positively correlated with smallholder farmers' attitudes towards accessing government credit facilities at $r(204) = .46, p < .001$. Most importantly, the R^2 indicated that political mistrust explained about 21.2% of the variation in smallholder farmers' attitudes towards accessing government credit facilities in Enugu State, Nigeria. Accordingly, the result supported the study's expectation that political mistrust positively correlates with smallholder farmers' attitudes towards government credit facilities. This means that smallholder farmers who perceive the financial institutions as a function of the political ecosystem are more likely to exhibit a negative attitude towards accessing the available credit provided by the government.

Similarly, the finding indicates that those who still trust the system are likelier to report a positive attitude and be more eager to participate in credit programs. Consequent to the failure of the government and the financial institutions to adequately make credit accessible to smallholder farmers. Also, given other barriers affecting access to credit facilities in Nigeria, most people in the small-scale agricultural sector might have developed intrinsic or extrinsic mistrust of Nigeria's political system. The present study presupposes that political mistrust as a psychosocial variable reflects a significant determinant of the attitude towards accessing the available credit facility. Thus, credit limitations may result in behavioral adaptations occasioned by appraisal and perception of the entire political scenery. The trend has severe implications for the growth and sustainability of small-scale farming.

Implications of the Study

Recent economic and political failures in Nigeria have created mistrust towards the government and the political system. Indeed, many smallholder farmers in the study parameter have collapsed due to financial challenges that usually determine business development (Murphy & Tocher, 2011; Schenk, 2015). Indeed, this study implies that political mistrust is a potential variable contributing to poor credit accessibility among small-scale farmers in southeast Nigeria. The current revelation implicates political mistrust as a significant variable in Nigeria's equitable distribution of credit facilities.

Conclusion

The present study investigated political mistrust as a scarcely explored correlate of attitudes towards government credit facilities. The Pearson's correlation analysis computed on the data indicated that political mistrust is a significant predictor of attitudes to government credit programs among smallholder farmers in the present context. Thus, an essential variable in the growth and development of the agricultural sector. More so, the result entails that political trust is a pathway to access the government's credit opportunities. Although the study is challenged with some limitations, self-report measures have been criticized for the issue of common variance. Also, the sampling method poses a hurdle for generalization. Nevertheless, the study contributed to the literature by revealing political mistrust, a factor that constrains the full accessibility of government-provided credit facilities. Improving political performance is a transparent and uncontested approach to ameliorating political distrust. Unfortunately, it is not feasible in contemporary society. Mistrust based on perceptions of unequal practices and unfair outcomes can be reversed if policy-makers and politicians focus on promoting shared notions of equality and fairness and even reinforcing the monitoring mechanisms to limit morally reprehensible conduct relative to access to credit. Further research is needed to broaden our understanding of the relationships between political mistrust and attitudes relative to government credit programs and examine how mistrust can be confined from spilling over to the systemic level.

REFERENCES

- [1] Abdul-Rahaman, A., & Abdulai, A. (2022). Mobile money adoption, input use, and farm output among smallholder rice farmers in Ghana. *Agribusiness*, 38(1). <https://doi.org/10.1002/agr.21721>
- [2] Agholor, A. I., & Nkosi, M. (2020). Sustainable water conservation practices and challenges among smallholder farmers. *Journal of Agricultural Extension*, 24(2). <https://doi.org/10.4314/jae.v24i2.12>
- [3] Benjamin, T. A., Timo, S., Stefan, B., & Jukka, K. (2015). Factors influencing smallholder farmers' access to agricultural microcredit in Northern Ghana. *African Journal of Agricultural Research*, 10(24). <https://doi.org/10.5897/ajar2015.9536>
- [4] Chandio, A. A., Jiang, Y., Gessesse, A. T., & Dunya, R. (2019). The nexus of agricultural credit, farm size and technical efficiency in Sindh, Pakistan: a stochastic production frontier approach. *Journal of the Saudi Society of Agricultural Sciences*, 18(3). <https://doi.org/10.1016/j.jssas.2017.11.001>
- [5] Danso-Abbeam, G., Ojo, T. O., Baiyegunhi, L. J. S., & Ogundeji, A. A. (2021). Climate change adaptation strategies by smallholder farmers in Nigeria: do non-farm employment play any role? *Heliyon*, 7(6). <https://doi.org/10.1016/j.heliyon.2021.e07162>
- [6] Daum, T., & Birner, R. (2017). The neglected governance challenges of agricultural mechanization in Africa – insights from Ghana. *Food Security*, 9(5). <https://doi.org/10.1007/s12571-017-0716-9>
- [7] Dawuni, P., Mabe, F. N., & Tahidu, O. D. (2021). Effects of village savings and loan association on agricultural value productivity in Northern Region of Ghana. *Agricultural Finance Review*, 81(5). <https://doi.org/10.1108/AFR-02-2020-0024>
- [8] Deresse, M., & Zerihun, A. (2018). Financing challenges of smallholder farmers: A study on members of agricultural cooperatives in Southwest Oromia Region, Ethiopia. *African Journal of Business Management*, 12(10). <https://doi.org/10.5897/ajbm2018.8517>
- [9] Enimu, S., Ji, B., & EO, E. (2018). Determinants of the borrowing capacity of smallholder farmers in Cross River State, Nigeria. *Journal of Business & Financial Affairs*, 07(01). <https://doi.org/10.4172/2167-0234.1000311>
- [10] Etonihu, K. I., Rahman, S. A., & Usman, S. (2013). Determinants of access to agricultural credit among crop farmers in a farming community of Nasarawa State, Nigeria. *Journal of Development and Agricultural Economics*, 5(5).
- [11] Eweoya, I., Okuboyejo, S. R., Odetunmbi, O. A., & Odusote, B. O. (2021). An empirical investigation of acceptance, adoption, and the use of E-agriculture in Nigeria. *Heliyon*, 7(7). <https://doi.org/10.1016/j.heliyon.2021.e07588>
- [12] Hahlani, C. D., & Garwi, J. (2014). Operational challenges to smallholder dairy farming: the case of Mayfield dairy settlement scheme in Chipinge District of Zimbabwe. *IOSR Journal of Humanities and Social Science*, 19(1). <https://doi.org/10.9790/0837-19148794>
- [13] Hlatshwayo, S. I., Modi, A. T., Hlahla, S., Ngidi, M., & Mabhaudhi, T. (2021). The usefulness of seed systems for reviving smallholder agriculture: A South African Perspective. *African Journal of Food, Agriculture, Nutrition and Development*, 21(2). <https://doi.org/10.18697/ajfand.97.19480>
- [14] Hussain, A., & Thapa, G. B. (2012). Smallholders' access to agricultural credit in Pakistan. *Food Security*, 4(1). <https://doi.org/10.1007/s12571-012-0167-2>
- [15] Jan, I., Khan, S., Khan, N. P., & Ashfaq, M. (2017). Effects of micro-credit program of Khushi bank limited on agricultural productivity in district Mardan, Pakistan. *Sarhad Journal of Agriculture*, 33(4). <https://doi.org/10.17582/journal.sja/2017/33.4.688.693>
- [16] Jellason, N. P., Conway, J. S., Baines, R. N., & Ogbaga, C. C. (2021). A review of farming challenges and resilience management in the Sudano-Sahelian drylands of Nigeria in an era of climate change. In *Journal of Arid Environments* (Vol. 186). <https://doi.org/10.1016/j.jaridenv.2020.104398>
- [17] Kalinda, T. (2019). An assessment of smallholder farmers' challenges in adopting biogas technology in Zambia. *Energy and environment research*, 9(1). <https://doi.org/10.5539/eer.v9n1p48>
- [18] Kamara, A., Conteh, A., Rhodes, E. R., & Cooke, R. A. (2019). The relevance of smallholder farming to African agricultural growth and development. *African Journal of Food, Agriculture, Nutrition and Development*, 19(1). <https://doi.org/10.18697/AJFAND.84.BLFB1010>
- [19] Magistro, J., Roberts, M., Haggblade, S., Kramer, F., Polak, P., Weight, E., & Yoder, R. (2007). A model for pro-poor wealth creation through small-plot irrigation and market linkages. *Irrigation and Drainage*, 56(2–3). <https://doi.org/10.1002/ird.300>
- [20] Mapiye, O., Makombe, G., Molotsi, A., Dzama, K., & Mapiye, C. (2021). Towards a revolutionized agricultural extension system for the sustainability of smallholder livestock production in developing countries: The potential role of ICTs. In *Sustainability (Switzerland)* (Vol. 13, Issue 11). <https://doi.org/10.3390/su13115868>
- [21] Megerssa, G. R., Gemedede, B. G., & Jarsa, A. W. (2020). Challenges of smallholder farmers in accessing agricultural information in Southern Ethiopia. *Agricultural Science and Technology*, 12(1). <https://doi.org/10.15547/ast.2020.01.016>
- [22] Murphy, G., & Tocher, N. (2011). An empirical examination of corporate parents, initial legitimacy, and resource acquisition in small and medium firms. *New England Journal of Entrepreneurship*, 14(1). <https://doi.org/10.1108/nej-14-01-2011-b002>
- [23] Nyaga, J., & Nzulwa, J. (2017). Strategic factors affecting access to credit facilities by smallholder dairy farmers. *Journal of Management*, 4(2).
- [24] Odera-Waitituh, J. A. (2021). Smallholder farming systems: challenges and opportunities. In *Opportunities and Challenges of Smallholders and Smallholding*.
- [25] Oke, J., Kehinde, A., & Akindele, A. (2020). Determinants of access to credit by cocoa farmers in Osun State, Nigeria. *International Journal of Agricultural Research, Innovation, and Technology*, 9(2). <https://doi.org/10.3329/ijarit.v9i2.45411>
- [26] Oluwatayo, I. B. (2019). Towards assuring food security in South Africa: Smallholder farmers as drivers. In *AIMS*

- Agriculture and Food (Vol. 4, Issue 2). <https://doi.org/10.3934/AGRFOOD.2019.2.485>
- [27] Oruru, M. B., & Njeru, E. M. (2016). Upscaling Arbuscular Mycorrhizal Symbiosis and Related Agroecosystems Services in Smallholder Farming Systems. In *BioMed Research International* (Vol. 2016). <https://doi.org/10.1155/2016/4376240>
- [28] Reardon, T., Barrett, C. B., Berdegue, J. A., & Swinnen, J. F. M. (2009). Agrifood Industry Transformation and Small Farmers in Developing Countries. *World Development*, 37(11). <https://doi.org/10.1016/j.worlddev.2008.08.023>
- [29] Salami, A., Kamara, A. B., & Brixiova, Z. (2010). Smallholder agriculture in east Africa: trends, constraints, and opportunities. Working Paper No.105 African Development Bank, April. <https://doi.org/10.1111/j.1467-937X.2007.00447.x>
- [30] Schenk, A. (2015). Crowdfunding in the context of traditional financing for innovative SMEs. Proceedings of the European Conference on Innovation and Entrepreneurship, ECIE, 2015-January.
- [31] Stratton, A. E., Kuhl, L., & Blesh, J. (2020). Ecological and nutritional functions of agroecosystems as indicators of smallholder resilience. *Frontiers in Sustainable Food Systems*, 4. <https://doi.org/10.3389/fsufs.2020.543914>
- [32] Von Loeper, W., Musango, J., Brent, A., & Drimie, S. (2016). Analyzing challenges facing smallholder farmers and conservation agriculture in South Africa: A system dynamics approach. *South African Journal of Economic and Management Sciences*, 19(5). <https://doi.org/10.4102/sajems.v19i5.1588>
- [33] Wang, H., Wang, X., Sarkar, A., & Qian, L. (2021). Evaluating the impacts of smallholder farmer's participation in modern agricultural value chain tactics for facilitating poverty alleviation—a case study of kiwifruit industry in Shaanxi, China. *Agriculture (Switzerland)*, 11(5). <https://doi.org/10.3390/agriculture11050462>
- [34] Wangu, J., Mangnus, E., & van Westen, A. C. M. (2021). Recognizing determinants to smallholders' market orientation and marketing arrangements: Building on a case of dairy farming in rural Kenya. *Land*, 10(6). <https://doi.org/10.3390/land10060572>
- [35] Zhang, C. H., Benjamin, W. A., & Wang, M. (2021). The contribution of cooperative irrigation scheme to poverty reduction in Tanzania. *Journal of Integrative Agriculture*, 20(4). [https://doi.org/10.1016/S2095-3119\(21\)63634-1](https://doi.org/10.1016/S2095-3119(21)63634-1)