FINANCIAL INCLUSION AND AGRICULTURAL SECTOR PRODUCTIVITY IN NIGERIA: AN EMPIRICAL INVESTIGATION

Onyinye I. Anthony-Orji1, Anthony Orji1*, Akunna J. Igwe1, Ndubuisi Isaac2,
Ikubor O. Jude3, Lynda C. Nwufo1

1Department of Economics, University of Nigeria, Nsukka, Nigeria.
2Department of Political Science, University of Nigeria, Nsukka, Nigeria.
3Department of Economics, Nigerian Defence Academy Kaduna, Kaduna State, Nigeria.
*Corresponding Author: Anthony Orji

Abstract: This study examined the impact of financial inclusion on agricultural sector productivity in Nigeria. The study adopted the Classical Linear Regression Methodology. The Johansen co-integration test showed the existence of a long run relationship between financial inclusion and agricultural sector productivity. The regression result showed that commercial bank credit to agriculture, agricultural credit guarantee scheme fund, rural deposit and exchange rate has a significant and positive relationship with agricultural sector productivity, while inflation has a negative relationship with agricultural sector productivity. Based on these findings, the study recommended that the government should provide appropriate policies that will facilitate sustainable financial inclusion. Commercial banks should be encouraged to participate in rural banking, thus, encouraging high involvement in rural areas through the building of bank branches and also providing soft loans to farmers in rural areas. Finally, the government should ensure that the conditions and terms of accessing financial products and services, such as loans and credits are properly monitored to ensure that the conditions are not detrimental to agricultural sector productivity.

Keywords: Financial Inclusion, Agricultural Sector, Productivity, Empirical.