The Role of Community Banking System in Nigeria’s Development Process: An Appraisal

By

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Abstract

This paper assesses the role, size and contribution of the community banking system in Nigeria’s development process from 1992 to 2004. An attempt is made to evaluate the extent to which community banks have been efficient in performing their developmental roles at the grassroots using five primary criteria, namely: the inculcation of good banking habits, deposit generation and savings mobilization, granting of loans and advances, development of real sector, and development of non-productive activities. These were analyzed using standard mathematical and descriptive statistical techniques. The findings indicate that though the Nigerian community banking system is growing in terms of size it is still unable to create sustainable livelihoods that are productive enough to afford poor households an escape route from poverty.