

## **The Nigerian Unorganized Rural Financial Institutions and Operations: A Framework for Improved Rural Credit Schemes in a Fragile Environment**

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**ABSTRACT** The Nigerian's financial system is dualized: The formal and the informal (unorganized) financial markets. In this regards, the paper investigates the various institutions, modus operandi and the extent of financial intermination in different social settings. Empirical results shows that traditional savings and credit associations (TRASCAs) are prevalent in semi-urban and rural areas among semi-skilled and unskilled workers and traders, while daily Saving Enterprises (DSEs) and Professional Money Lending Scheme (PMLs) strive in semi-urban and urban centers among artisans, traders and skilled workers. The performance analysis of these unorganized financial markets possibly reflects strong savings propensities and more robust lending activities. Given the failure of most government rural financial intermediation programmes, the paper therefore suggest that money market development policies should be tailored to suit the peculiarities (economic, social, etc.) of the target population, in order to foster the development of dependable rural financial market.