WOMEN EMPOWERMENT THROUGH MICROFINANCE AND ENTERPRISE: EVIDENCE FROM NIGERIA

BY

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Abstract

Microfinance is considered a promising method to mitigate the negative impact of poverty and promote enterprise amongst women in developing economies, such as Nigeria. The thesis investigates the role of microfinance in women's economic empowerment, the well-being of the family, and access to finance from commercial banks.

The empirical study examines and extends microfinance interventions in rural and urban settings in Nigeria. Its focus is on the provision of non-collateral financial services to low-income and financially excluded households. The literature supports the view that limited or no access to finance negatively impacts enterprise, living standards, health, and economic well-being of the country and its residents.

The empirical evidence of the results suggests microfinance institutions help to mitigate or eradicate poverty. Therefore, the findings are supported by literature in that microfinance promotes enterprise supports family well-being, and access to education, and promotes strategies to exit poverty, amongst Nigerian women.

This study reviewed a range of methodologies approaches and selected a mixed method approach to gain a deeper insight into the use of microfinance and its impact on borrowers. For this purpose, the study employed 305 questionnaires that were carried out with women borrowers who were supported by microfinance institutions. The results of the questionnaires were validated with 43 interviews and findings triangulated.

The key findings suggest microfinance loans led to an increase in the enterprise's growth through sales, profit, and acquisition of assets. The empirical evidence suggests women who borrowed money from MFI do not become bankable and *financial exclusion persists. Thus, the argument presented in the literature that microfinance loans contribute towards entrepreneurial culture is not supported by this research. The evidence further suggests women borrowers' aim is to support the immediate family and not necessarily desire to grow the business. Compared to rural, the economic empowerment of women in urban areas is more evident than in rural areas. There is evidence of women borrowing from multiple MFIs as there is no central database to monitor borrowers, thus MFIs create dependence on microfinance loans. The analysis of MFI borrowers suggests women borrow use MFI loans to support their families and merely for setting up businesses.*

The empirical findings reported in this study contribute to the theoretical and methodological study of microfinance in Nigeria. Although similar studies are reported for other countries, but this study is original and relevant within the region where women's empowerment is lacking and their contribution towards GDP is low compared to other similar countries. Therefore, the study makes both theoretical and methodological contributions to the country Nigeria regions, and wider literature within the domain of microfinance.

Dedication

This work is dedicated to my wife Martina Adaeze and my late mother Janet Aninze for their unstinting support and prayers.

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CBN	Central Bank of Nigeria
DEA	Data Envelopment Analysis
FEAP	Family Economic Advancement Programme
FSRCC	Financial Sector Regulatory Coordinating Committee
GDP	Gross Domestic Product
HDI	Human development index
MDG	Millennium Development Goals
MFB	Microfinance Banks
MFI	Microfinance Institutions
MSME	Micro, Small and Medium Enterprises
NAPEP	National Poverty Eradication Programme
NBS	National Bureau of Statistics
NGO	Non-governmental Organisation
NPC	National Planning Commission
PBN	Peoples Bank of Nigeria
ROSCA	Rotating Saving and Credit Association
RSP	Rural Support Programmes
SAP	Structural Adjustment Programme

SME	Small and Medium-sized Enterprises
SPSS	Statistical Packages for Social Sciences
SSA	Sub-Saharan Africa
UNDP	United Nations Development Programme
VIF	Variance Inflation Factor

Chapter 1

1.0 Introduction

1.1 Statement of the Problem

In recent years, there has been an increasing interest in microfinance as the provision of financial services to the poor or those in low-income families who are unable to offer tangible assets as collateral (Azevedo, 2007). There is a widely held view that women are deprived socially, financially, and politically in relation to their male counterparts. For societal and other socio-cultural reasons, women would not have had access to education, and those who did would have accessed a lower level of education.

The growth in the digital financial services ought to have provided opportunities to drive faster progress toward financial inclusion, particularly for excluded groups such as women in rural and urban areas in Nigeria. This has not held true.

There has been progress in the financial inclusion in the past decade, however, Nigeria fell short of the National Financial Inclusion Strategy (NFIS) targets for 2020 (EFInA, 2020). The country had aimed to reach 70% of Nigerians with formal financial services by 2020, which fell short to 51% (EFInA, 2020). The NFIS also set targets for the overall financial inclusion, which counts all Nigerians that use either the formal financial services or the informal financial services, which are regulated for example the informal savings with the rural and urban areas.

The overall financial inclusion target was 80% by 2020 was missed as the data outcome at the end of the year 2020 shows that only 64% were financially included (EFInA, 2020). This means that 38 million or that 36% of Nigerian adults remain completely financially excluded (EFInA, 2020). The data shows the gap is growing as women continue to be more financially excluded than men. There are only 45% of women using the formal financial services, compared with 56% of men (EFInA, 2020).

The outcome shows that the population of Nigerians in the North continue to be significantly more financially excluded than their peers in the southern areas, and rural populations are still more excluded than those in urban areas. Those between the ages of 18-25, are significantly more likely than older adults to be financially excluded (EFInA, 2020).

The female gender has limited ability to acquire vocational skills for employment, access to vital information that support improvement on their businesses or services to earn additional income (Halkias et al., 2011; Jaim, 2021). This is due to limited access to formal education that engendered low literacy levels, which is a barrier to societal integration, employment skills and income generation.

The limitations contribute to rural women engagement in subsistence farming activities, and low-income generating activities, while the poor urban women operate in the marginal enterprises in the informal sector. These activities yield little or negative returns on investment because the enterprises either collapses or experience little or no growth during the lifetime of their owners.

In addition, the patriarchal stance of most regions in Nigerian account for several socio-cultural, discriminatory institutions and structures that limit female access to equal opportunities, such as land, credit from formal institutions, education, and training opportunities within the national support systems (Wolf and Frese, 2018).

To promote economic wellbeing and enable economies to full use human resources, institutions and government and policy makers nationally and internationally tried to ensure women are empowered to make their contribution. Therefore, the international communities have tried to support and promoted the concept of women empowerment through the provision of equal rights to promote gender equality and women empowerment; such notable event is the International Conference on Population and Development (ICPD) or the Cairo Conference 1994 that placed women's rights, empowerment, and health at the forefront. This point is further promoted at the Beijing Declaration and Platform for Action 1995 Millennium Development Goal (MDG) to promote gender equality and empower women.

The practice of microfinance provides access to finance for poverty-stricken economies and more specifically women through donor agencies or dedicated MFIs to promote the economic and social well-being of the population at the margin of society. Therefore, the aim of the donor is to use microfinance institutions to provide financial credits to the unbanked poor that are not served by the formal banking system. The argument proposed is that self-help schemes such as esusu, other micro-credit services, and microfinance methods have proven to be effective in developing countries to help the poor to start or expand a business (Obadire, 2022) However, literature review suggest, the Microfinance programmes since the 1990s, mainly, targeted the women as a key strategy to address the challenges of reaching out to most needed individuals to mitigate the impact of poverty and to promote women's empowerment, that often is associated with lack of employment opportunities and access to finance. Therefore, literature suggests by empowering the women to participate in economic life and economic activity is essential to improve the national economy, quality of life for women and their households.

In the context of this, the study explores the role of microfinance in the economic empowerment of women and the extent to which the female empowerment affects the socio-cultural life in a developing economy. In addition, the research provides an overview of the opportunities and the criticisms of the microfinance programmes, examine the contemporary issues of poverty reduction, entrepreneurial development, and the family wellbeing.

1.2 Rationale for the Research

This study is based in a developing country, Nigeria, part of the sub-Saharan Africa (SSA). The country and the SSA region, with a sizeable population, has the highest number of poor people (Beegle and Christiaensen, 2019); it also has the highest share of unbanked households in the (CGAP, 2018; Elsafi, 2020) that has implications for policy makers, practitioners and the lending institutions. Thus, this study considered literature, identified the gap and empirically examines the role and the impact of microfinance in meeting the demands of financially excluded section of the community. The study also evaluates the presence of entrepreneurship amongst women and how the finance provided by microfinance leads an increase in the economic contribution for the country and its impact on women themselves and wellbeing of their families. There have been relatively few studies that have evaluated the microfinance outcome on poverty alleviation in the context of Nigeria and more so their impact on women and the studies that attempted to study the subject are mostly inconclusive (Copestake *et al.*, 2001; Husain *et al.*, 2010; Islam, 2009;Chishti et al., 2021). The limitations of previous studies could be due to challenges to gain access to the target population; this is due the social and cultural challenges within developing countries. Despite the limitations of access and methodological limitations, researchers Annim and Alnaa (2013), Chemin, (2008), Chowdhury *et al.*, (2005), Khandker, (2005), Morris and Barnes, (2005), and Pitt and Khandker, (1998) consider microfinance an effective tool for poverty alleviation, where financial exclusion is excessive and financial institutions are reluctant to provide finance due to presence of high risk. However, in contrast, Coleman, (1999) argues that microfinance has not proven to be an effective tool for poverty alleviation; this is due to the fact that most microfinance providers are unable to access or support the poor due to their limited budget and lack of expertise to credit score applicants. Literature provides contrasting views regarding the successes of microfinance and various studies have created controversies on the perception that microfinance is a tool for poverty alleviation that also encourages the empowerment of women entrepreneurship.

The specific gap identified in this study suggest previous studies have not directly studied the impact of microfinance on women's entrepreneurship and their empowerment in Sub-Saharan Africa (SSA). Stewart *et al.*, (2010) suggest that SSA has not been studied rigorously as other parts of developed or developing economies. Therefore, this study is designed and executed to address the research gap that focuses on SSA in particular. In addition, the research also considers the main debates regarding microfinance intervention and the level of impact of microfinance on entrepreneurship, women's economic empowerment, and the wellbeing of their families.

The findings of this study contributes to literature on microfinance and more specifically on its role as the provider of non-collateral financial services to the poor or those in low-income households who are unable to offer assets as security (Azevedo, 2007). There are varying definitions that attempt to define poor, however in this study we define poor are those who are living on income below their country's poverty line; and often fail to access formal financial services (Banerjee and Duflo, 2007; Helms, 2006; Aninze et al., 2018). There is no clear consensus among scholars and policymakers on how to define, measure or eradicate poverty. Therefore, there is no absolute or standard definition of poverty. Altimir (1982) describes the concept of poverty as a situation of poor health facilities, low level of education, malnutrition, and a lack of participation in the decision-making process. Furthermore, poverty is considered to be a situational syndrome that has a combination of the characteristics linked to access to finance that leads to underconsumption, compared with those who the ‘haves’ and ‘have-nots’. The ‘haves’ are considered to live a luxurious life whereas, the ‘have-nots’ suffer from a lack of decent or conducive good health, and productive life (Chirkos, 2014). Within this context, women are the major section of population who experience severe poverty and tend to be financially excluded by the financial sector as they lack collateral.

1.3 Research Questions

1.3.1 Does participation in microfinance programmes contribute to the development of women’s entrepreneurship in Nigeria?

This research question is related to the development of women’s entrepreneurial abilities. The microfinance schemes that women have been the main target group provides opportunities for microentrepreneurial activities that impact on women entrepreneurship. Most women borrowers possess entrepreneurial abilities that helps them to identify business opportunities, put together financial resources from personal sources and external sources such as microfinance and bank lenders.

However, some of the women borrowers can identify opportunities but lack the financial resources and are unable to raise finance externally, hence they are in disadvantageous situation when it comes to raising external finance. To study women empowerment and access to finance challenges, we need to examine women engagement with entrepreneurial activity. More importantly, in examining their entrepreneurial abilities, enterprise and access to finance from commercial banks, we need to evaluate a whole range of factors. The factors considered are the demographics, commercial or rural environment, access to education, commercial awareness, and training. There are also cultural as well regional demographics that impact on women participation in enterprise.

1.3.2 Does participation in microfinance programmes increase opportunities for women to access finance from commercial banks.

There is considerable literature that suggests women tend to be engaged with micro enterprises in SSA, therefore, they tend to access small amount of finance. Also, they tend to have low interaction with banks. Therefore, they have low credit rating and are unable to provide financial information nor provide collateral. However, those enterprising women who have potential are unable to access adequate finance to enter self-employment or grow their enterprises. Therefore, the second research question attempts to address the issue of the lack of access to finance from formal financial institutions which is an obstacle to enterprise development, especially for women (Gobbi *et al.*, 2005; Aninze et al., 2018). The microfinance sector could provide seed capital and empower women to enter self-employment, improve their motivation and financial skills, thereby enhance their credit history, score and increase opportunities for women borrowers to gain access to formal financial institutions. Within this context, MFI are effective to support and assist women to gain confidence and skills in addition to finance to start enterprises and support their families. Therefore, the research hypothesis (H_1) this study, in addition to considering wider socio-economic factors contextualises whether women's exposure to microfinance increases the access to external finance.

1.3.3 Does a loan from MFI increase economic empowerment and increase the well-being of women households?

The third research question relates to women's economic empowerment and the wellbeing of the family. The concepts of economic empowerment and family wellbeing are distinct, therefore are tested by proposing two different hypotheses. Firstly, (H4) do microfinance services develop women's economic empowerment and (H5) do microfinance services develops the well-being of the women and their families were formulated. The aim of H_4 and H_5 were to test whether financial autonomy and ability of women borrowers to make financial decisions leads to women empowerment and how this impact on their family's financial position.

1.4 Aim and Objectives of the Research

The aim of this study is to evaluate the contribution of microfinance to foster women empowerment, wellbeing of women and their families within Nigeria. The objectives are:

1. To identify through exploration of literature the gap in literature and evaluate the factors contributing towards f financial exclusion and its consequences for the rural and urban entrepreneurial women.
2. To critically analyse the critical issues that link microfinance practices and poverty alleviation at large, and in the case of Nigeria in particular.

3. To critically evaluate methodological approaches and select the most appropriate approach to analyse empirical survey data obtained from rural and urban MFIs in Nigeria. Furthermore, evaluate review women's participation in microfinance and to develop policy recommendations for practitioners, sponsoring organisations and respective governments.

4. To develop a conceptual framework that examines the relationship between microfinance and the economic empowerment of entrepreneurial women in Nigeria.

1.5 Context of the Study and Relationship to Previous Research

The research on microfinance and its impact on poverty alleviation at large and women in particular is important in terms of theoretical and empirical consideration. *First,* this research made a theoretical contribution to the study of microfinance and its impact on women empowerment at large and Nigerian context. In addition to review of literature, empirical findings, the thesis developed a conceptual framework that provides context for this research and provides opportunities for further research. *Second,* the study offered an in-depth analysis of the role of microfinance to promote access to finance, and women's empowerment in the context of contemporary literature whilst applying this to Nigerian case. *Finally,* the study offers a critical reflection and highlight policy deficiencies regarding microfinance intervention strategies in Nigeria.

The need and presence of microfinance has existed I for centuries, both in developed and emerging economies. However, in the African context, the presence of microfinance and its impact has not been extensively studied. (Helms, 2006). The practices have evolved from the provision of small informal loans to include products such as, savings, insurance, training and the distribution and marketing of products (Armendáriz de Aghion and Morduch, 2005). Thus, such developments have demonstrated the need for instruments such microfinance to serve the un-bankable section of the society. There are section of population in both developing and developed economies (Schreiner and Woller,2003) who experience financial exclusion, therefore, there is a need for microfinance provision to meet their need. Therefore, it is not a surprise that microfinance provisions are offered in five continents Helms (2006). Latin America has the longest tradition of microfinance and its presence is extensive in India, Bangladeshi and other developing economies. However, in comparison, SSA has had a slower development than the rest of these regions.

In the historical context, the practice of microfinance first flourished in Europe due to an increase in poverty during the 16th century (Seibel, 2005). The Italian monks created official pawn shops to provide alternatives to usury practices (Helms,2006). In addition, Germany used microfinance intervention to check the extortive practices of moneylenders in the 1800s through self-help, regulation, and supervision (Helms, 2006; Seibel, 2005). Similarly, in the 1900s, Latin America had variations of savings and microcredit schemes (Helms, 2006).

Microfinance evolution in the continent of Asia, reported significant success in Bangladesh with the development of the Grameen Bank, a non-governmental Organisation (NGO) in 1976. The NGO started joint lending to poor women in the village of Jobra without requesting any form of collateral. The collateral was particularly a challenge for women in developing countries and formal banks would not lend without first borrower providing a security. However, in developing countries due to inadequate legal rights for women and the nature of their economic position. Despite the obstacles in setting up and operation of microfinance, some countries such as Vietnam and Indonesia are the most developed in the sector of microfinance in terms of the outreach of loans and saving facilities (Helms, 2006; Weiss, Montgomery and Kurmanalieva, 2003 ;Churchill, 2019). However, in India, China, Afghanistan, and Pakistan, the outreach of microfinance is still emerging. In contrast to Asia and Western countries in Sub-Saharan African countries, microfinance provision slowly evolved. Microfinance intuitions were slow to develop, though the origin of Nigeria microfinance practices dates back to the 15th and 16th century and the original Yoruba term, “esusu”, are still in practice today (Seibel, 2003; Okesina, 2021). Given the role, importance, and impact of microfinance, researching microfinance topic has meaningful impact on poor people lives and economic development. Therefore, the presence and impact of microfinance in Nigeria has academic as well as economic benefit

1.5.1 Entrepreneurship, Women’s Empowerment, and Access to Finance

Entrepreneurs play an important role in the economic development of a country by indulging in business and by providing job opportunities for others (Jalbert, 2000). This approach to considering the importance of entrepreneurs in the economy, came from the economic approach to entrepreneurship that flourished under ‘the physiocrats’ and the ‘Austrian School’ of thought (Deakins and Freel, 2009). The term empowerment is often associated with independence, self-reliance and control and has various definitions (Narayan, 2002). Alsop and Heinsohn (2005) defined empowerment as the capacity to make a choice out of the available choices within formal and informal institutions which have rules and regulations. However, the different degrees of empowerment and development outcomes often lead to conflicting models (Matlay, 2005).

Access to finance is a challenge for every entrepreneur but female owned businesses encounter more constraints than male owned businesses (Constantinidis, *et al.*, 2006). Women entrepreneurs often face more obstacles in accessing finance due to an inability to provide collateral to guarantee the loan (Jalbert, 2000). Additionally, the banks' criteria are not conducive to the poor who lack a track record of borrowing or experience of running businesses (Deakins and Hussain, 1994). The condition worsens when accessing finance for a female enterprise. Although, research on the USA's male and female gender entrepreneurs by Buttner and Rosen (1992), showed that both genders faced the same difficulty in obtaining loans for new businesses.

Constantinidis, *et al.* (2006) argues that the barriers to financing faced by women entrepreneurs, are dependent on the female owned business' characteristics. Women usually start micro businesses in low growth industries like services and retail outlets with a small start-up capital and with higher risk projects that are less attractive for banks and other formal financial institutions. Most female entrepreneurs prefer not to apply for bank loans because either they do not require external financing or they presume that their application for a loan will be rejected (Coleman, 2000; Carrington, 2006).

Microfinance as a tool for reducing poverty, improving wellbeing, and the empowering of women, seems to have been proven through various studies in both developed and developing economies. A survey-based study of 20 borrowers of the Grameen Bank Bangladesh, found that microfinance plays an important role in poverty alleviation with large economic and social benefits (Mawa, 2008). Similarly, a study by Zapalska, *et al.* (2007) found that it has significantly reduced rural poverty among Bangladesh's women.

However, the studies on the impact of microfinance on poverty alleviation have conflicting viewpoints. Coleman, (1999) and Durrani, *et al.*, (2011) reported that microfinance has a negative impact on poverty alleviation whereas (Pitt and Khandker, 1998; Khandker, 2001; Chemin, 2008; Chowdhury, *et al.*, 2005 and Khandker, 2005) reported positive results. Additionally, Pitt and Khandker (1998) found out that a credit programme for women has a larger positive impact on household expenditure, assets owned by women, male and female labour supply, and boys and girls schooling. Khandker, *et al.* (2008) in their research on the young women's labour market opportunities concluded that women's borrowing has a more positive impact on household per capita expenditures and the value of household assets than men's borrowings.

Microfinance helps to alleviate poverty especially for women in developed and developing countries. A study of Bangladeshi women reported an improvement in women's physical mobility, economic security, and political and legal awareness (Schuler and Hashemi, 1994). The results from the study of Pitt, *et al.* (2006) in Bangladesh found that female borrowers of microfinance have more empowerment from participating in the household and more financial and economic resources and mobility. The Sanyang and Huang (2008) study on women for poverty alleviation in rural Gambia, pointed out that microfinance has a great potential to empower women. The studies by Kim, *et al.* (2007) and Swain and Wallentin, (2007) also reported the positive impacts of microfinance on female empowerment. However, Goetz and Gupta (1996) argued that microfinance has done little to change the status of women within the household as men still have the control over the household income and can misuse the credit money and therefore, it has little effect on women's empowerment. Moreover, credit given only to women and not to men, could increase the exploitation of women within the household. A study by

Brett (2006) on female microcredit participants in Bolivia, found that the microfinance institution's financial stability could not indicate the success of microfinance.

1.5.2 Microfinance Practices in Nigeria

About 63 percent of the Nigerian population lives below the poverty line of US$1.00 per day; 42 percent do not have access to safe drinking water; and 69 percent do not have access to basic sanitation (ADB, 2013: 5). According to UNDP (2013), Nigeria is low in human development and ranked 153 out of 186 countries on the human development index (HDI) that focuses on life expectancy, literacy level and per capita income. Another gender measure indicator is the Global Gender Gap Index that accounts for gender inequality in economic and political activities, where Nigeria ranked 110 out of 135 countries (WEF, 2012).

These indicators showed the plight of women in Nigeria. In addition, women entrepreneurs face barriers to access finance for their businesses. According to Niethammer, *et al.* (2007) female entrepreneurs have limited access to institutional credit because of less knowledge as to how to access formal finance and they have no ownership or control over land or property that are used as collateral. Furthermore, one microfinance office serves about 164,836 clients compared to one branch serving 16,156 in Bangladesh (Audu and Achegbulu, 2011, p. 225).

The women in Nigeria are poorer and less educated compared with the men due to persistent gender neglects (Halkias *et al.*, 2011). Consequently, women are at the bottom of the poverty ladder (Iheduru, 2002). The Federal government policies in Nigeria made some provisions to lessen this worsening trend and established the Family Economic Advancement Programme (FEAP), a microcredit scheme in 1988

(Halkias *et al.*, 2011). The programme was established to provide opportunities that could lead to economic growth and to assist the poor, especially women, out of poverty. This is appropriate because the female gender seems more likely to repay their loans (Armendáriz and Morduch, 2005). Secondly, women have a greater impact on the poor as they are more likely to apply for funds to the betterment of their families and children (Croson and Buchan, 1999; Maclean, 2010). Thirdly, D'Espallier, *et al.*, (D’Espallier *et al.*, 2011) showed that more female clients are associated with lower portfolio-at-risk, lower write-offs, and lower credit loss provisions for microfinance institutions. FEAP and other similar programmes to provide credit facilities especially to women, often fail (Iganiga, 2008; Abraham and Balogun, 2012b). This suggests the need for research on the issues of microfinance provision to women entrepreneurs in Nigeria.

1.5.3 Research Methodology

The research philosophy applied the tenets of the interpretivism and positivism approaches. This approach is prevalent in research to understand practices, actions, and institutions. Social phenomena and their meanings have an existence that is independent of social actors and every culture has a tangible reality of its own (Bryman, 1998). The positivists apply the principles of natural sciences to the social sciences, that world phenomenon is independent of human perception and amenable to measurement (Gilbert, 2001). In contrast, the interpretivist argues that everything we consider real, is socially constructed (Gergen and Gergen, 2004, Bryman, 1998). What we accept to have meaning of our experience of the world is intangible without the framework of language to give it structure and meaning therefore, we have a subjective meaning of social actions (Bryman, 1998).

The study used mixed methods and reject purely quantitative methods or qualitative methods. The adoption of only quantitative methods would not provide a causal account of unexplained variables like how people make choices and personal relationship with the clients. Both microfinance institution officers and clients often have different perspectives and views that will be studied in order to achieve the research objectives. Furthermore, qualitative only methods have limitations on the collection and analysis of financial data and numbers such as the size of loan, retention rates, and income. However, the mixed method approach is gradually becoming the most used for impact assessment studies in developing countries (Pitt, *et al.*, 2006; Khandker, 2005; Duong and Izumida, 2002; Morduch, 1999; Khandker, *et al.*, 2008). The objective of mixed methods is not to substitute quantitative or qualitative methods but rather to gain from their strengths and diminish their weaknesses within a single study or across closely related studies (Johnson and Onwuegbuzie, 2004). Hence, both qualitative and quantitative approaches will complement each other by corroborating information gathered from microfinance institutions and the service users. The concepts of entrepreneurship and empowerment require triangulation to understand the impact of microfinance on multidimensional concepts shaped by cultural and social beliefs. Kabeer (1999) supported the triangulation approach as the method could validate the information on the measurement of women's empowerment.

The research questions explored both numeric data and non-empirical factors such as culture and beliefs that affect what people think, feel, and how they make consumption and investment choices. The question of ‘how’ was covered to some extent in this research, on how microfinance plays a role in the development of women’s entrepreneurship, and how it increases women’s economic empowerment and the wellbeing of the family and how it helped participants to access further finance.

To understand microfinance intervention processes and assess their effect on service users. The researcher reviewed research methods used in the existing literature on microfinance interventions. After careful consideration of the context within which research is carried out, and based on the existing literature, the mixed methods approach is the most appropriate to carry out the study (Dawadi et al., 2021; Hentschel, 1999; Rao and Woolcock, 2003).

The mixed-methods research is not a simple combination of different research methods. The method focuses on several perspectives and on real-life contextual knowledge that provides a theoretical and philosophical framework, which brings together diverse types of data and approaches (Bazeley, 2018). This help facilitates divergent and facilitates deep analysis and critical interpretations. Furthermore, the mixed methods research is not a single quantitative or qualitative approach. The mixed methods resolve complex research problems by collecting data from many participants, including questionnaires and interviews (Poth and Munce, 2020). The objective of mixed methods is not to substitute quantitative or qualitative methods but rather to gain from their strengths and diminish their weaknesses within a single study or across closely related studies (Johnson and Onwuegbuzie, 2004). Also, mixed methods draw on both qualitative and qualitative methods in varying configurations (Palinkas et al., 2019).

The researcher used both quantitative and qualitative data because the mixed methods combine post-positivism as well as interpretivism approaches to answer the research questions (Dawadi et al., 2021). In addition, the mixed methods integrate the philosophical frameworks that help to contextualise the research issues, which explained them meaningfully, with sufficient depth and breadth (Dawadi et al., 2021).

Furthermore, the quantitative results and qualitative findings can be triangulated and narrow down the problem to answer the specific question. In contrast, the mixed method research methods can take a long time period to implement interviews and questionnaires. This also involves high costs, and the time to achieve the desired results (David et al., 2018; Fauser, 2018; Hauken et al., 2019; Linnander et al., 2019) is significantly longer. In addition, there remains the presence of subjectivity as the data collection is dependent upon the robustness of questionnaires, implementation strategies, and the measure to ensure the integrity of the data is maintained.

Leal et al., (2018) argue that both quantitative research and quantitative research methods can influence each other inadvertently. Therefore, care is required and over reliance is to be monitored to ensure data integrity is maintained, and result integrity ensured. Wilkinson and Staley (2019) observe that handling both quantitative and qualitative data is a challenge that has to bear in mind ethics as well as its usefulness. Therefore, the research time horizon tends to be long and there is a greater need to provide justification for adopting the research design.

1.5.4 Sample Selection and Research Techniques

In Nigeria most microfinance banks (MFBs), Microfinance Institutions (MFIs), NGOs, and Rural Support Programmes (RSPs) operates to provide microfinance services. Nigeria has estimated 1,986,032 active borrowers (MIXmarket, 2014). The purposive sampling technique was used to select two major MFIs based on their outreach in the geopolitical zones. The selected MFIs were Microvis Microfinance Bank and Macrod Microfinance Bank have specific objectives concerning poverty alleviation and a high female participation in their microfinance programmes.

Both MFIs have a strong and focussed emphasis on outreach in the geopolitical zones outreach in Nigeria. The study focussed on the urban and rural areas of the Delta state and the Kaduna state, to cover the female borrowers in different geographical zones.

Permissions were obtained from the two MFIs to select an appropriate number of their clients that could answer the research questions for the study. Kabeer (2001) conducted 70 interviews and 700 questionnaires for a study on women's empowerment in Bangladesh. Similarly, Haile *et al.* (2012) conducted an in-depth interview with 56 respondents and 142 questionnaires on married women microfinance beneficiaries in Ethiopia. The researcher conducted 43 in-depth interviews (23 women client participants, 3 managers and 17 loan officers) and 305 close-ended questionnaires, which seem comparable to the average of Kabeer's and Haile *et al.*'s research.

The questionnaires provided quantitative data that enabled the researcher to examined access to credits and the impact of microfinance on female economic empowerment and women's entrepreneurial development. The qualitative data from the semi-structured interviews helped in explaining the underlying reasons and developing a conceptual framework to understand how the established MFI programmes could be adjusted to deal with unique cultural, political, and local environmental issues.

The population of the study was not divided into any prominent group to select a sample from each group. This strategy helped to avoid the use of the quota sampling technique and there is no reason to select a sample haphazardly or through self-selection methods because the female clients were contacted during their group meeting times. Therefore, the respondents were selected by using information received from the MFIs such as the list of the clients in each branch of the microfinance institutions, those either living around the branches or women likely to attend their group meeting on the visit day.

However, personal contacts were made with the selected respondents to explain the purpose and value of the study, which helped to maximise respondents' response. The research design was piloted with staff and colleagues to identify ambiguity. The secondary data sources were obtained through wider academic reading from the microfinance Newsletters, annual reports, business reports, organisation websites. Additionally other financial information were collected from the Central Bank of Nigeria (CBN), the National Bureau of Statistics (NBS), and the National Planning Commission (NPC).

Prior to the commencement of the fieldwork, a field pilot survey was conducted using 15 microfinance clients and 15 loan officers in Kaduna, to ensure that the questionnaires were suitable for data collection and are appropriate for the study. Where necessary, the questionnaire was amended accordingly. The data obtained from the questionnaires and interviews were analysed using computer-assisted software programs (Statistical Packages for Social Sciences (SPSS) and QSR NVivo™ 10). The quantitative data collected from the survey were analysed, summarised, and interpreted with the aid of SPSS. The SPSS software program helped in inferential statistics calculations, tables, graphs, and statistical testing. Similarly, after transcribing the interviews into MS Word™, the QSR NVivo™ 10 software program was used to sort, code, classify, and analyse the data into themes.

Figure 1.1: Map of Nigeria

Source: Map.com

1.6 Ethical Considerations for the Study

Ethical considerations relate to moral principles, norms, or standards of behaviour that guide moral choices about our behaviour and our relationship with others (Blumberg, *et al.*, 2008). Ethical issues in research guide how we gain access, collect data, store data, analyse data and write up our research findings in a moral and responsible manner (Saunders, *et al.*, 2012).These ethical issues are considered in exploratory research (Hesse-Biber and Leavy, 2011). Therefore, the researcher explained in detail to the participants that the study is only for academic purposes. This information is necessary to prevent the respondents from seeking financial compensation or otherwise. Furthermore, participants were informed on how the research findings will be published including the storage and the destruction of the data after a reasonable time. Thus, the interaction with participants created greater familiarity and confidence that engendered trust and integrity (Creswell, 2009). A prior consent (informed consent form) was sought from each participant before the data collection commenced. The questionnaires and survey processes were designed in such a way that made the interviewees anonymous. Further, the participants were not subjected to any embarrassment or invasion of privacy. For the purpose of this study, the researcher applied pseudonyms in carrying out the research to ensure anonymity. Holloway (1997:57) suggests ways to guarantee anonymity. These include the use of pseudonyms that do not have any link with the real names or research domains. Furthermore, gender, age, ethnic cluster, and names were made anonymous and not be associated with data. Thereby ensuring participants in the study cannot be identified at any time by the reader of the report (Holloway 1997). Ethical approval was sought and approved by BCU before the commencement of fieldwork.

1.7 The Study Outline

The study was conducted through a basic step-by- step model approach (figure 1.2). The stages are as follows: research problem discovery and study objectives; research methodology; quantitative and qualitative data analysis; development of conceptual framework and finally discussions, recommendations, and conclusion. The initial plan, to operationalise the research process was flexible and revised where necessary. However, continuous efforts were made to organise the research in such a way that allows readers to easily follow the stages.

First, the selection of an appropriate title was followed by the identification of research problems and the formulation of research objectives. This involved an in-depth review of the contemporary literature to have a better understanding of microfinance development and its influence on poverty alleviation, and the debates on the empowerment of women. This helped to identify the main variables in previous research and how this research relates to studies within the field.

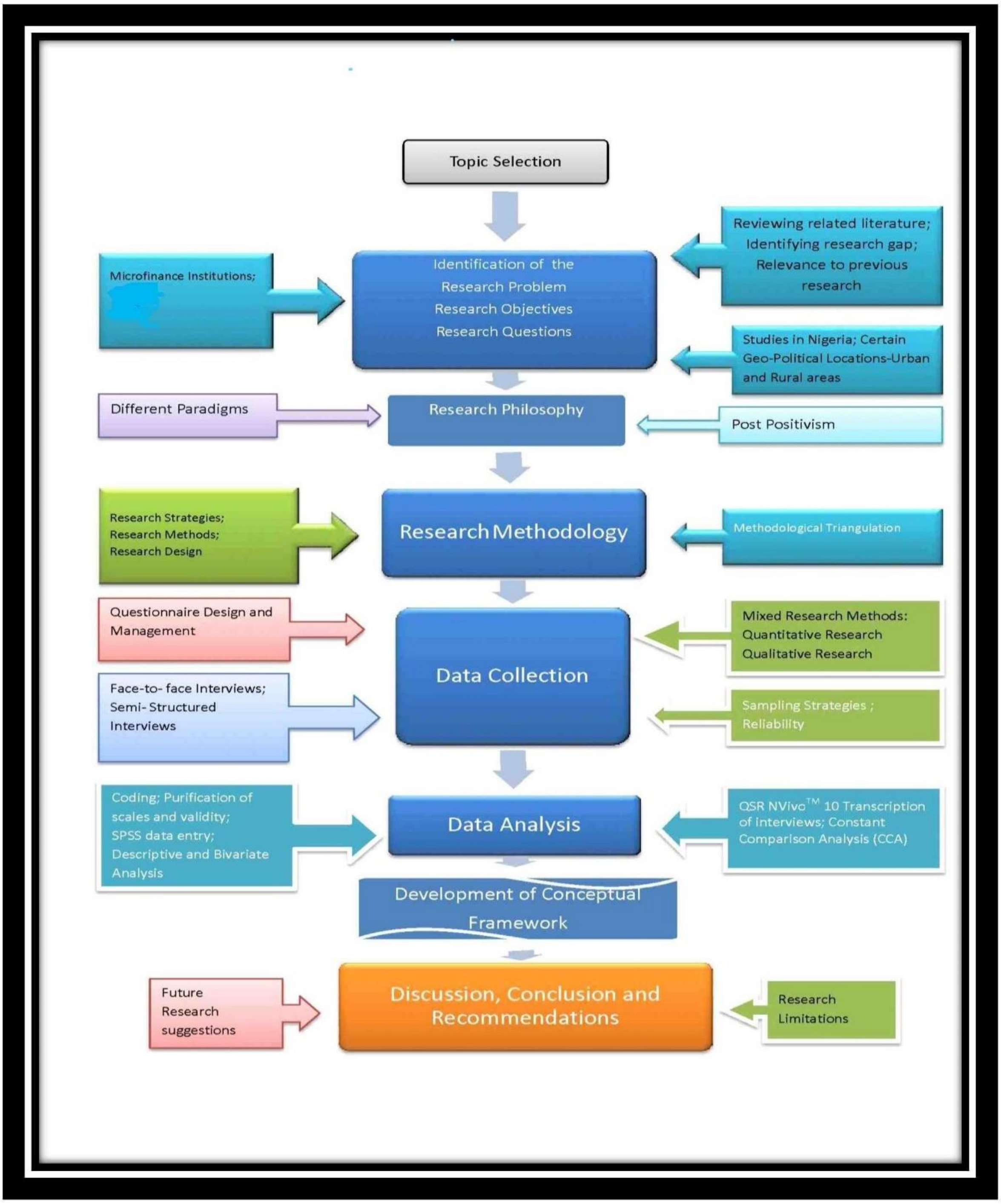
Second, the research methodology attempts to justify the ontological and epistemological issues in the research philosophy. Additionally, the choice of sampling methods, data collection methods, pilot study, and field works, including any problems encountered, were considered.

Third, the quantitative data collected through questionnaires were analysed using the descriptive and bivariate statistics with the aid of SPSS statistical software. Furthermore, the qualitative data collected through interviews on the loan officers, managers and women clients of MFIs were transcribed into MS Word™ and imported into QSR NVivo™ 10 for analysis.

This led to a discussion on the data obtained in terms of value and contribution to the research aim and engendered a greater understanding of the relationship between microfinance, access to finance and the empowerment of women. Fourth, the provision of a conceptual framework in an easy to understand format that links abstract concepts in literature with both quantitative and qualitative analysis on the data collected, was developed. The quantitative and qualitative data analysis helps to devise a framework for understanding the impact of microfinance on women entrepreneurs and the barriers to accessing finance from formal financial institutions. Furthermore, this helps to identify entrepreneurial skills development in female entrepreneurs, access to finance from commercial banks for female enterprises and highlighted the areas of concern that could lead to further research questions and implications for future study.

Finally, the discussion, recommendations, and conclusion considered the research's contribution to the accumulative knowledge in the field of microfinance, access to finance, and the empowerment of women. The detailed discussion on the research objectives facilitated the findings, contributions of the study, different academic and managerial implications of the study, and the limitations associated with the study. There were references back to the literature review and the theoretical and conceptual framework to see how these are interrelated. Additional research questions arising from the outcome of the results and discussions, were identified for further study.

Figure: 1.2 The Structure of the Study



Source: Author 2018.

Chapter Two

2.0: Review of Relevant Literature on Microfinance

2.1 Introduction

This chapter provides a review of the relevant literature on microfinance with a particular emphasis on the issues relating to enterprise and women's empowerment. The sections and subsections will highlight studies on poverty, poverty reduction, gender inequality, access to finance and economic growth in developed and developing economies. The discussions will focus on economic activities and the relevance of microfinance contribution to empower women and increase their household wellbeing.

The first section of the chapter examines the literature on the concept, emergence, and evolution of microfinance. The second section provides an insight into the innovative techniques, the role of the digital technology, expansion, and current practices in Nigeria. The third section covers the literature on Nigeria's financial environment. The fourth section focusses on literature relating to the empowerment of women, family wellbeing, poverty, entrepreneurship, access to finance, and opportunities for economic growth. The fifth section examines the gender and cultural sensitivities of studies exploring microfinance and poverty alleviation in a developing economy and ways to resolve societal expectations.

The sixth session focuses on the development of the research hypotheses and related research in the field.

The section 2.8 explores the gaps in the literature and the concluding section summarises the chapter.

2.2 The Concept of Microfinance

The use of microfinance helps to provide non-collateral financial services to the poor or those in low-income households who are unable to offer assets as security (Azevedo, 2007). Otero (1999:1) defines microfinance as '*the provision of financial services to low-income, poor, and very poor self-employed people'*. This definition includes the extension of financial services in small amounts to poor self-employed individuals to enhance their economic wellbeing, to contribute to microenterprise development and for the alleviation of poverty.

Microfinance practices often make the provision of financial services to microenterprises that are unable to access finance from commercial banks (Pant, 2009). Roy (2010) suggests MFI`s have made it easy for micro entrepreneurs without collateral, to borrow as little as $100 and to repay weekly, monthly and bi-monthly instalments over a long period of time.

The poor, defined as those living on an income below their countries poverty line, often fail to access formal financial services (Banerjee and Duflo, 2007; Helms, 2006). However, division exists among scholars and policy makers on how to define, measure, or eradicate poverty. Accordingly, there is no absolute or standard definition of poverty.

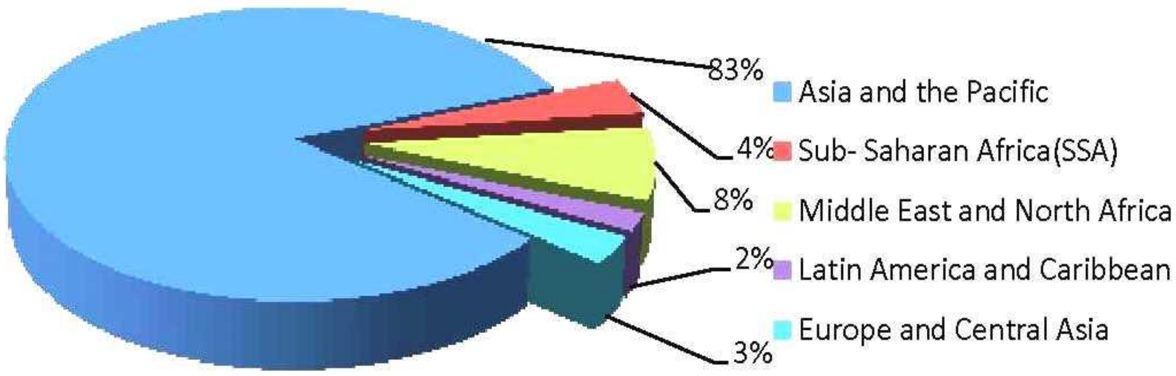
Many researchers describe poverty based on income level instead of using a broader definition that includes wellbeing. The literature on the definitions of poverty and the measures of microfinance is challenging (Addae-korankye, 2014). Hulme and Mosley

(1998) consider poverty definitions as inadequate and incomplete. However, for the purpose of conducting this research, the definitions of Otero (1999:1) on microfinance and Boateng *et al.*(2015:101) on poverty will be adopted. These definitions are relevant to the Nigerian context.

2.2.1 The Emergence of Microfinance

The presence of microfinance has been traceable within the West, East, and Africa for centuries (Helms, 2006). The practices have evolved from the provision of small loans to including products such as, savings, insurance, training and the distribution and marketing of products (Armendáriz and Morduch, 2010; Armendáriz de Aghion and Morduch, 2005). The origin, evolution, and need for microfinance exists in both developing and developed economies (Schreiner and Woller, 2003). According to Helms (2006), microfinance has reached several continents (figure 2.1). The Latin America region has the longest tradition of microfinance practices. In the Asia and the Pacific regions, countries such as Vietnam and Indonesia are the most developed in the sector in terms of the outreach of loans and saving facilities (Weiss *et al.*, 2003; Helms, 2006). Although in India, China, Afghanistan, and Pakistan, the outreach of microfinance is still spreading. However, SSA has had a slower development than the rest of the other regions (Fosu, 2009).

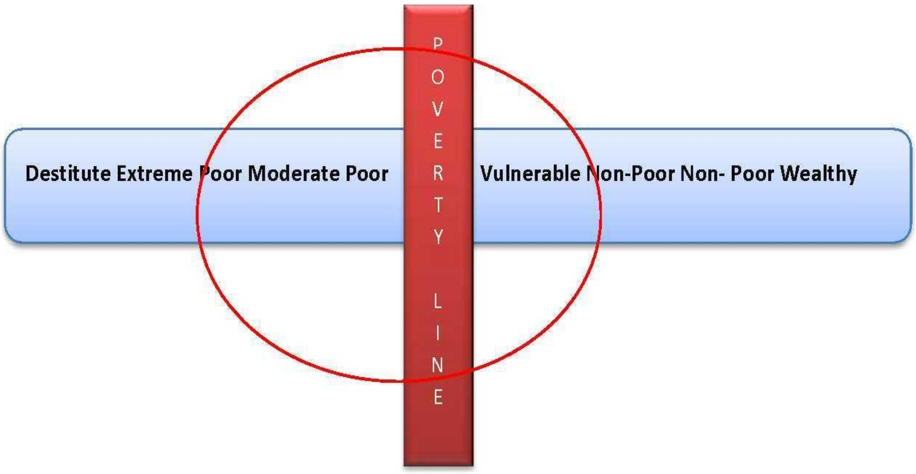
Figure 2.1 Percentage of World MFI outreach



Source: Adapted from Helms (2006) and (Christen *et al.*, 2004).

Microfinance has gained significance, respectability, and acceptance as one of the tools to alleviate poverty (Sengupta and Aubuchon, 2008). Recent evidence suggests that microfinance helps those who are unable to draw on their past savings or who lack assets to provide as collateral prior to access to external finance (Kanak and Iiguni, 2007). In addition, microfinance encompasses a holistic dimension in how it works with the poor or those at the lowest point of the economic ladder and develops their capacity to engage with the wider economic environment. This helps the poor to progress towards financial inclusion and to engage in entrepreneurship to overcome their adverse economic existence (Islam, 2009). The activities of microfinance target the moderate poor, the vulnerable non-poor, working poor, and those excluded from formal financial institutions (see figure 2.2). The financial intermediations have reached the poor who are unable to borrow through the introduction of informal savings and credit groups (Helms, 2006).

Figure 2.2 MFI targets the Poor



Source: Adapted from Cohen (2003).

The borrowers who are poor and have no assets to use as collateral are often denied credit as formal financial institutions have insufficient information to approve their loan applications (Brewer, 2007; Deakins and Hussain, 1994). This disfranchises the poor, affects their access to finance, and adversely affects their credit history (Deakins and Hussain, 1994; UNDP, 2013).

Traditional informal access to finance for the poor is usually loans from friends, relatives, moneylenders, or property owners. The loans from friends and family have the problems of limited flexibility and the fear of loss of dignity in the community. (Helms, 2006). The moneylenders are not the preferred option and ranked low in the pecking order due to the excessive exploitation of the rural poor through high interest rates. However, they are considered to create a monopoly and the high interest rates could be justified on the fear of high default rates (Rallens and Ghazanfar, 2006).

The reluctance to extend unsecured credit to the poor is primarily due to asymmetric information, moral hazard, and adverse selection (Akerlof, 1970; Armendáriz de Aghion and Morduch, 2005; Deakins and Hussain, 1994). According to Armendáriz and Morduch (2010:48), the financial institution's risk is tied to unobservable choices made by borrowers that give rise to financial exclusion. To compensate for substantial risk due to lack of information and collateral, banks and other formal financial institutions often charge exploitative interest rates. That is considered to be unethical lending and imposes burdensome collection periods (Armendáriz de Aghion and Morduch, 2005; Bhatt and Tang, 2001). The poor often avoid the banks and, comparatively, successive empirical findings have shown MFIs have a positive impact on poverty alleviation (Augsburg *et al.*, 2013; Imai and Azam, 2012; Imai *et al.*, 2012; Lensink, 2012). Armendáriz de Aghion and Morduch (2005) and Morduch (1999) suggest microfinance significantly enhances the life chances of the poor in overcoming poverty. Furthermore, Shane (2003) observes that microfinance creates opportunities for entrepreneurial activities that support entrepreneurship. However, the contribution of microfinance towards the promotion of enterprises remains under-researched and empirical studies' findings are often contradictory (Islam, 2009; Weiss *et al.*, 2003) which provides justification for conducting a research on this topic.

There are varieties of financial services that MFIs use to help the poor in developed and developing countries. These include a Rotating Saving and Credit Association (ROSCA) and Credit Cooperatives or Credit Unions. In a ROSCA, members contribute the same amount of money for an agreed period of time; weekly, fortnightly, monthly, or tied to seasonal cash flow cycles especially in agricultural communities. The whole sum of money contributed is given to a member at each period of contribution. The exercise is a rotational basis until the end of the period when all the members have contributed and collected (Rallen and Ghazanfar, 2006). In South Africa, this type of contribution is called stokvels, in which the members have a constitution that dictates the terms of the rotation and sums of money. Any member that receives their total sum of money would organise a party that the public paid to attend. The gains on such parties would belong to that member. Mosley and Rock (2004) observe that stokvels are usually for subsistence rather than for investment purposes.

Helms (2006) argues that ROSCA is not flexible as a member's contribution money is tied up until his turn to collect the total sum of money. This could be risky when members who have received their total sum of money fail to continue their participation. This system does not provide emergency loans to help the member if the need arises before the collection time. Therefore, ROSCA and other rotating money services cannot fully accomplish the needs of the poor due to limited flexibility, loan size, time, available local resources, and onerous administration (Rallen and Ghazanfar, 2006).

The formal financial institutions are often constrained in obtaining reliable information regarding the poor. Therefore, the unavailability of formal records on the credit history of the poor is a barrier to rendering financial services to the unbanked sector of the economy. The formal financial institutions could be able to access the financial information of the potential poor borrowers, but it involves a high transaction cost due to the handling of too many small loans (Armendáriz de Aghion and Morduch, 2005). Therefore, the banks often avoid the incremental costs or transaction costs involved to gain useful information or the financial records of the poor (Sriram, 2005). Consequently, the formal financial institutions avoid providing credit to the poor. Armendáriz de Aghion and Morduch (2005) identify asymmetric information as an obstacle to bank lending to those who do not have collateral.

The formal financial institutions' policies on lending often involve full disclosure of information on the ability of potential borrowers to repay the amounts borrowed. Therefore, the lack of information regarding the poor is a key factor in banks' decisions on the suitability of their potential borrower to repay. Most banks in developing countries often tackle the problem of lack of information by requesting collateral, generally in the form of landed properties or other forms of agreed fixed assets (Hoff and Stiglitz, 1990). Nonetheless, the poor usually do not have any valuable assets to offer as collateral.

Hoff and Stiglitz (1990) highlight the characteristics of the rural credit market associated with information asymmetry and high transaction cost. The problems are firstly, a screening problem that is the cost to determine the risk of default of each borrower; secondly, an incentive problem: the cost to ascertain the actions of borrowers on their willingness to make repayment; and thirdly, the enforcement problem: the challenges related to repayment enforcement. In addition, the financial institutions are often constrained by adverse selection. According to Deakins and Hussain (1994) the risk associated with financing small businesses is asymmetric information creating the problems of a moral hazard and an adverse selection for the bank. These hurdles make the banks shy away from financing small enterprises, which raises liquidity constraints for small entrepreneurs. The banks cannot easily differentiate between risky customers and safe customers.

To mitigate adverse selection, banks tend to raise interest rates for all the customers. This high interest rate discourages the safe borrowers who are genuine but may not be able to pay such high interest rates. The risky borrowers will take high interest rate loans because they may lack the moral appropriate behaviour to repay the loans. The exclusion of safe borrowers and the inclusion of risky borrowers gives rise to a moral hazard problem. Furthermore, the risky borrowers have no fear of the seizure of their individual property, or of damaging their credit history. Therefore, they are more likely to be delinquent regarding the loans financed by the bank and will disappear without repaying the loan (Armendáriz de Aghion and Morduch, 2005; Rallen and Ghazanfar, 2006).

2.2.2 The Evolution of Microfinance

In the 15th century, the Catholic church used pawn shops to provide an alternative to usurious moneylending activities (Helms, 2006). The church initiative rendered financial support to the exploited poor who were unable to obtain such services due to high interest rates.

The awareness and spread of microfinance in Europe evolved in response to an increase in poverty in the 16th century (Seibel, 2003). In Ireland, the Irish microfinance movement started as charities in the1720s. The MFIs were financed through donations and loans that were granted to their beneficiaries' interest-free. However, peer monitoring helped to enforce repayment from defaulters. When the Irish economy returned to a boom, a special law was enacted in 1823 that reinforced interest-bearing deposits and charging interest on loans. The success of the microfinance continued and threatened commercial banks' growth until a law passed in 1843 led to their demise.

Jonathan Swift in the 18th century was the first to introduce microcredit services through the formation of an Irish fund loan system. The practice of the fund loan system involved the provision of small loans to poor farmers without collateral. In the 1800s, the larger formal savings and credit institutions developed to the extent that they reached France by 1865. The Germans learnt some of the hard lessons from Ireland that a dependence on charity donations was not sustainable. Consequently, Friedrich Wilhelm Raiffeisen and his associates in the mid-19th century, developed the idea of cooperative unions.

These movements helped to develop several types of larger and more formal savings groups. The credit institutions revolution began to emerge in Europe and by 1870 the cooperatives financial system had spread over Europe, North America and in developing countries.

Many of the financial cooperatives and institutions in Africa, Latin America, and Asia are traceable to the European movement. In the early 20th century, there were various variations of credit models and financial institutions in rural Latin America. One of the best-known institutions, ACCION International, was a grass roots model organisation founded by Joseph Blatchford in 1961. The institution initially started with community projects such as schools, roads, and community centres. ACCION International started micro lending in 1973 and its success led to its replication in America and it now, has a global outreach. In the 1950s and 1970s, the government and donors became interested in development projects in the agricultural sector by providing credit through subsidised interest rates to small and subsistence farmers, but these remained largely unsuccessful. The reasons for the suboptimal performance and losses were due to the subsidised lending rates, poor repayment discipline, and the failure of the funds to reach the targeted poor farmers (Helms, 2006).

The history of microfinance in Asia has had little documentation compared to Europe (Seibel, 2005). More importantly, microfinance could have been in existence in Asia longer than Europe. In 1895, the Indonesian People's Credit Bank, currently the largest microfinance system with close to 9000 branches, opened in Indonesia. Armendáriz de Aghion and Morduch (2005) state that some of the experience of rural finance programmes in the 1800s were in the low-income countries of the Philippines and India. However, the microfinance programmes failed in the Philippines as they provided lower interest than the inflation rate, which created a financial imbalance, and only a few wealthy farmers benefitted. Similarly, the Indian programmes became inefficient due to the recipients' unwillingness to repay their loans. According to Rallen and Ghazanfar (2006), the subsidised loans by the government to the poor were for political reasons and granted to loyal cronies. Moreover, they did not provide the opportunity to save money or insurance services.

The evidence of microfinance emergence in Africa was in the 16^{th} century (Seibel, 2006: 3). There were widespread practices of rotating credit known as 'esusu' among the Yoruba's in Nigeria. The practice has spread all over West Africa during the past 50 years and many other African countries such as Congo (Seibel, 2006). Some of the variations of the practice include daily deposit collections at the doorstep and the customer market store. It is a widely held view that Africa's first ever credit union was established in the northern region of Ghana by Catholic missionaries from Canada. The mode of practice and emergent date is still not clear. Furthermore, Ghana has a typical collaborative culture where labour and agricultural produce were loaned and shared within communities. However, these forms of community-based initiatives are common in SSA. The regions of North Africa are yet to consider microfinance as a form of a financial system due to social and cultural beliefs.

2.2.3 The Microfinance Revolution

One of the most challenging situations in financial intermediations during the 1950s to 1970s was that the government and charitable trusts mostly owned MFIs. The government bureaucratic disposition allowed capital imperfection in the society to affect access to finance. The imperfect financial services intermediation created market failures as the competitive markets failed to achieve an efficient allocation of resources. The interest rates were high and not profitable, the cost of enforcement was high, and most lenders withdrew their services and ceased to lend due to the higher risks of carrying on with their business.

The prevalence of borrowers with little or no viable collateral for loans, made the credit market less attractive as lenders find little or no resources to seize if the borrower defaults. In addition, low levels of literacy and weak communication makes the loan application process costly. Furthermore, most rural products were seasonal and dependent on agriculture that is prone to weather shocks. A good season could result in high repayment rates and a bad season may result in large-scale defaults. The lenders often operate on extra levels of protection against loss of capital, as the group of borrowers are concentrated in the same local geographical region, devoid of diversified sources of income. Banerjee and Duflo (2010) observe that the poor rely on informal credit because only very few have access to formal financial institutions; lending rates are often higher than deposit rates; the poor pay higher interest rates to borrow than those considered to be non-poor, and their level of default is usually low.

The government and the donor agencies made loans to their customers at below the interest rates to increase productivity and income. The loans failed to reach the poor as most of the loans were given to influential and better off customers. However, most of these customers saw the loans as gifts from the government and developed a poor repayment discipline. The habit of non-repayment of loans initially stifled the financial institutions' capital base gradually until full depletion. These institutions become inefficient, corrupt, and moribund and that led to their demise.

The evolution of microfinance in Bangladesh, mainly due to poverty, helped to revolutionise ways of granting loans to the poor. The economic conditions of Bangladesh in 1972 deteriorated rapidly after independence from Pakistan and years of flooding especially in the rural areas where poverty was widespread. Yunus, a Bangladeshi banker and economist realised that the reason for the poverty was mostly due to lack of access to credit by the poor. The poor had entrepreneurial skills that were grossly under-utilised. According to Yunus, if the poor had access to incentives, they would become economically active and earn additional money. This led to an experiment in 1976 that eventually created a financial service institution known as Grameen Bank. This financial institution made microcredit available to the poor women in the village of Jobra. This created opportunities for the economically active poor, especially women, where small amounts of money within the range of $27 to $ 42 were lent to craft-women in the bamboo stool-manufacturing sector. The loans granted to the majority of these poor women, were repaid within a year through a weekly instalment cycle. This financial support to the poor showed significant success and in 1983 Grameen Bank, an NGO, was established as a financial institution to provide loans to the poor. The NGO started joint lending to poor women in the village of Jobra using group lending techniques. In the group lending model, a group of 5-20 people takes a loan without providing any form of collateral. Each member of the group has an individual responsibility to repay the loan but in case of default, all the members have to bear the loss of future credit from the microfinance institution (Rallens and Ghazanfar, 2006).

The Grameen Bank growth rate has increased since its creation and had reached 5.5 million members in 2006 with 95% of the members being women (Sengupta and Aubuchon, 2008). By the year 2000, almost 2 million members had benefitted from Grameen Bank. There was an implementation of additional services such as special educational grants, special education loans, other improved loan products and extended members services. These services helped the borrowers fulfil their financial needs. For example, top up loans helped the beneficiaries to manage unforeseen capital shortfalls in a structured manner. As at October 2011, Grameen Bank had 8.35 million borrowers with a 96% majority of the members being women (Ledgerwood, 2013:359). The system of microfinance in Bangladesh was replicated in many developing countries. Most of the trials generated positive results.

The success of a well-managed MFI such as Grameen Bank shows that first, the poor are willing to pay interest rates that allow financial institutions to cover costs and make profit; and second, the poor, especially women, pay their loan reliably more than most commercial bank customers. However, the greatest contribution of Yunus to microfinance development was not the Grameen Bank replication, but establishing the model that helped to change the mind-set of managers of financial institutions across developing and developed economies (Ledgerwood, 2013 :467).

2.3 Microfinance Challenges and Innovations

The group lending model is an innovative method used by MFI to offer loans to the poor who have no assets to provide as collateral (figure 1.3). Armendáriz and Morduch (2010: 97) refer to group lending as an arrangement made by groups to obtain loans from lenders, usually the MFIs. The group lending technique was the dominant model adopted by the Grameen Bank in Bangladesh. The participants usually form a group of about 5-20 people and agree with the lender to take a joint loan and agree on a joint liability to the loan. The joint liability implies that until all loan repayments are fully paid, each member of the group is liable for the outstanding loan. Therefore, in the case of a member defaulting, the other members are considered as loan defaulters and would lose credibility and access to future loans. The success of the Grameen Bank is often attributable to the group lending model (Sengupta and Aubuchon 2008). The group lending participants often have regular meetings to review members’ financial positions in terms of those with good standing and those in difficulty.

The adoption of joint liability mitigates the following challenges; first, adverse selection: the chances of choosing a risky customer. Second, moral hazards: the difficulties in monitoring borrowers’ behaviour after credit have been advanced. Third, costly audits: the costs of assessing the actual business projects and assets that could be seized to compensate for the debt if there is a refusal or failure to repay the loan and interest. Finally, the enforcement process, which is enforcing the recovery of the credit if a particular borrower, is reluctant to pay.

The information imperfection prevalent in the financial services sector is a major challenge in ascertaining the potential credit risk of a borrower. The group members have local contacts and information on safe or risky members. Therefore, the group lending model can access direct information on borrowers, this could eliminate risky borrowers and reduce problems associated with adverse selection as members sought out the safe borrowers from risky members (Ghatak and Guinnane, 1999).

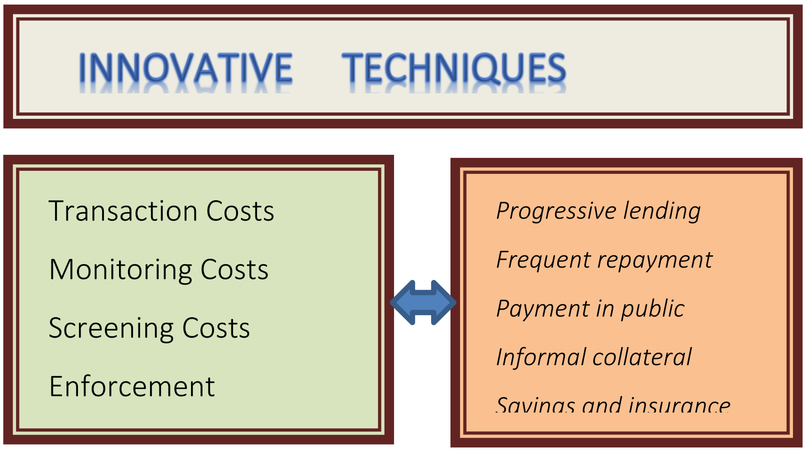
The moral hazard associated with lending could be reduced as the members’ network and information on group monitoring affect the behaviour of the joint borrowers (Conning, 1996). The auditing costs are minimised as each member of a group could take responsibility for assessing a borrower’s assets that could be seized to compensate for loan repayments in case of default. The use of progressive lending and frequent repayment cycles reduces the risk of default. The borrowers’ loan sizes increase on satisfactory repayment of an initial small loan. The lender screens borrowers and supports default-free borrowers with a stream of higher loans and defaulters will have threats to terminate future loans based on their credibility.

The prevailing high repayment rate in the joint liability model is attributable to a robust relationship among borrowers. The members whose projects have higher returns could offset a borrower whose project has performed worse; therefore, their net repayment position will be positive for the group (Besley and Coate,1995). In addition, the imposition of social sanctions as against financial sanctions on the defaulters, compels borrowers to repay (Stigligtz, 1990; Guha and Gupta, 2005; Ghatak, 1999). The group members often agree to impose graduated sanctions that include minor punishments to more severe punishments for inveterate members involved in re-occurring lapses (Ostrom, 1990).

However, profound challenges exist in the implementation of the joint liability model; for example, the possibility of free riders could occur if the group becomes large and only very few committed members continually bailout other risky borrowers. Furthermore, if borrowers care less about future credits, they could have multiple defaults that could weaken the stability and subsequently, the collapse of the group especially if their social ties are weak. The implementation of social sanctions is more effective in rural areas but may be less useful in urban area where borrowers could be itinerants who can resettle easily in different locations. Therefore, borrowers that take part in group lending schemes could remain anonymous in urban areas.

The time spent convincing potential members could be enormous, as individual lending procedures do not seek approval from other members or accommodating behaviours to choose members. The monitoring of group members in close knitted communities such as the rural areas could be more easily performed than those in urban areas where distance could be a factor in the choice of the meeting venue and the frequency of meetings. Midajewicz (2004) argues that loan sizes are limited by the group’s ability to guarantee such loans. Therefore, affluent members who are above the level of their group members will be constrained to borrow lower than their needs to satisfy the conditions within the group. Therefore, the wealthier members could be worse off in joint lending models.

Figure 2.3 MFI Techniques



Source: Adapted from Armendáriz and Morduch (2010)

A few MFIs found that monitoring the use of credit is a major constraint to lending to the poor (Sriram, 2005). Hence, the introduction of the group lending model that helps to mitigate information asymmetry and adverse selection as the potential risks are transferred to the poor borrowers who act as guarantors to each other due to lack of collateral (Armendáriz de Aghion, 1999; Besley and Coate, 1995). In addition, the lending model acts as peer pressure to the members to repay the loan on time; to monitor the activities of other members, and to form groups based on those considered to be responsible associates (Besley and Coate, 1995; Conning, 1999; Ghatak, 2000; Sinn, 2013; Stiglitz, 1990). The group lending model was criticised on the grounds that such a strategy could worsen the plight of poor borrowers in the credit market due to the penalties on default such as, social stigma and harsh financial punishment (Armendáriz de Aghion and Morduch, 2005; Montgomery, 1996; Rallens and Ghazanfar, 2006). Furthermore, Besley and Coate (1995) argue that the group lending model could break down under stress because a number of defaults may lead to a tipping point and strategic default. However, a group lending approach that has been successful in most parts of the world may be ineffective in others (Kodongo and Kendi, 2013). Madichie and Nkamnebe (2010) observe that the group lending model might not work in SSA due to differences in the economic and social backgrounds of the borrowers. Additionally, a few researchers argue that group lending schemes have no advantage over individual lending programmes. Giné and Karlan (2009) used evidence from the study of Philippine microcredit lending groups to prove that under individual liability schemes, borrowers' liability did not change, client retention improved, and there was an increase in new borrowers. The question of whether the group lending approach is an effective strategy to monitor credits was explored within the Nigerian context.

One of the most significant discussions is the role of digital technology innovation on financial inclusion, especially for non-banking microfinance users (Benami and Carter, 2021). Recently, the use of digital transactions makes financial inclusion achievable through the growth of mobile phones and the Internet. In addition, digital innovation provides greater applications for MFIs to enhance the accessibility of financial services (Pazarbasioglu, Mora, et al., 2020; Okoye et al., 2019).

A considerable number of studies have identified technology as a major carrier of financial services. It is therefore imperative that including digital tools in the rural population in mainstream economic activities through access to financial services enhances the quality of both rural and urban life and contributes to the growth of aggregate output (Hove and Dubus, 2019; Pazarbasioglu, Mora, et al., 2020; Okoye et al., 2019).

The mobile-based money transfer service M-PESA in Kenya is one of the most famous and successful experiences of integrating new Fintech apps into payment and lending services, which highlights the effort of delivering financial services to the formally unbanked population (Hove and Dubus, 2019).

One of the most important rationales for the use of digital technology is that digitalisation has changed customers' perceptions (Pazarbasioglu et al., 2020). The MFIs have deployed digital applications to their business operations, such as communications, payment, and lending services, which highlight the positive change in the service delivery to the unbanked population (Hove and Dubus, 2019). Using digital devices such as smartphones and apps boosts microfinance services delivery mostly in rural areas and contributes to growth in economic activities (Okoye et al., 2019).

By incorporating digital tools into the business process, financial service providers can better manage risk and cost-related problems as well as thoroughly analyse customer data and information. Thus, exploring the purposes of digital supporting solutions adoption is needed to promote their flow. However, in contrast to the demand side, research on supply side drivers, from the financial service providers' side, seems to lag. In addition, there is a vast amount of literature that focuses on the digital revolution in the banking system (Junger and Mietzner, 2020).

The use of digital applications helps to reduce risk in cash storage and improved bill payments, loan repayments, and purchases. The technology adoption also helps to improve the operational efficiency of MFIs, facilitates financial inclusion through increased customer reach, and provides customers with several products or service options. The provision of a wide range of financial products to a wider section of the economy, including the un-bankable, implies getting more people involved in the overall economic activities, enabling the poor to improve their living conditions while at the same time driving GDP and overall output growth. The impact of digital technology is now a crucial factor that could impact the group lending model. This is a suggestion for further study.

As the benefit of digital technology extends its reach into remote, rural corners of developing economies, it is important to recognize the problems of digitalisation. However, some studies foresee the use of digital technologies to overcome the challenges of remote financial inclusion. Recent researchers recommend the use of digital literacy to minimize the negative impact of digital technology via online fraud and data threats. (Benami and Carter, 2021).

2.3.1 Microfinance Criticisms

Studies on microfinance have been criticised on grounds, which are often on methodology, overestimation, and reliance on donor agencies (Chemin, 2008; Weiss, *et al.*, 2003; Pitt and Khandker, 1998). Most studies criticise the methodologies used in the findings on the impact of microfinance on poverty alleviation. Chemin (2008) and Roodman and Morduch (2011) faulted Pitt and Khandker’s (1998) over estimation of result by non-enforcement of eligibility criteria for land holdings on borrowers in Bangladesh. Similarly, Morduch’s (1999) failure to account for non-random programmes in a cross-sectional survey of nearly 1800 households in Bangladesh might have led to underestimation. The adoption of different methodologies by researchers could have prevented a consensus on the impact of microfinance on poverty alleviation and female empowerment.

Afrane (2004) observes the problem of estimating personal circumstances in order to match the factual situations of an identified group under study. Furthermore, attempts by researchers to attribute any significant change to the conditions of the participants specifically to the microfinance intervention, might be misleading. Similarly, Karnani (2007) and Gehlich-Shilabeer (2008) observe that the impact of microfinance interventions on the beneficiaries might have been restricted to specific programme evaluation. Thus, they suggest more studies should assess the overall impact of microfinance on beneficiaries instead of measuring only the impact of individual outcomes on psychological, socio-political, and economic elements (Ledgerwood, 1999).

Adams and von Pischke (1992) attempted to answer the microfinance challenges of the past by comparing the 1990 era of MFIs to the unsuccessful rural credit agencies established by less developed countries' governments in the 1960s and 1970s. They concluded that their similarities in policies meant that the lessons of the past were not learnt. Adams and von Pischke's (1992) interpretation contrasts with that of Woller *et al.*'s (1999) argument that, the modern microfinance framework is quite different from the unsuccessful rural credit agencies of the 1960s and 1970s, and thus, making direct comparisons between the two scenarios unacceptable. Adams and von Pischke (1992) and Buckley (1997) question the popular assumption that microfinance is an effective poverty alleviation tool. Furthermore, Buckley's (1997) analysis of field summary data on Ghana, Kenya, and Malawi concludes that central structural variations in socioeconomic circumstances and a thorough understanding of informal sector behaviour are prerequisites for microfinance to be effective as a potential poverty alleviation tool.

The contributions of microfinance to reduce poverty have become controversial due to the inconsistent methods and outcomes of the impact of microfinance intervention on poverty reduction (Hermes and Lensink, 2007a). A few findings on the positive impacts are inconclusive (Coleman, 1999, 2006; Duong and Izumida, 2002). Furthermore, Duvendack *et al.* (2011) argue that no positive impact has been proved satisfactorily by studies, as microfinance still has high transaction costs associated with small loans and many participants (Shankar, 2007).

Coleman's (2006) study of two village MFIs in Thailand found that microfinance benefits wealthier people rather than the poor. The wealthier people often hold influential positions and put pressure on the MFIs to allocate substantial microcredit to their family members especially their wives and friends using multiple different names as fronts to borrow, and the allocation system becomes abused through corruption.

Similarly, Chemin (2008) observes that microfinance loan officers and leading members in a group borrowing model often select trusted close members and exclude the extremely poor to avoid risk of default. Using the same observable characteristics such as savings, the study shows that the poor in villages without microfinance opportunities were relatively equal. This contrasts with the microfinance participating villages where the non-participants were systematically worse off. However, inconsistent self-selection of participants and unmeasurable characteristics affects any attempt to evaluate the impact of microfinance (Coleman, 2006).

Another challenge to the impact of microfinance is the difficulty in establishing whether credits to the poor were actually used for their intended purpose due to the pilfering of loans (Mosley and Rock, 2004). For example, funds allocated to productive purposes could be used for consumption or other domestic commitments such as the payment of health care or new school uniform, thereby making it difficult to identify where to look when assessing the positive impact of microfinance intervention (Armendáriz de Aghion and Morduch, 2005; Khandker, 2005). However, Armendáriz de Aghion and Morduch (2005) acknowledge the lack of a well-known study that robustly proves the effective impact of microfinance intervention. Though, their assumption was contested following the publicity and microfinance success linked to the United Nations 2005 Year of Microcredit (Dichter, 2006; Miller, 2006).

Despite these criticisms, the demands for microfinance services remain high. According to Mallick (2012), borrowers in Bangladesh often resort to moneylenders for supplementary credits at high interest rates. This need for additional credits could be due to a shortage of funds from the formal financial institutions.

2.4 The Nigerian Financial Environment

The Nigerian economic situation is considered a paradox (World Bank, 1996). According to the World Bank (1996) report “Poverty in the midst of plenty”, the country has rich land, crude oil, and natural gas resources but the people are poor. The government and some donor agencies have tried several initiatives to improve financial intermediation but the level of poverty continues to increase rapidly (World Bank, 2014).

The Central Bank of Nigeria (CBN) refers to microfinance services as the provision of financial products to the poor who are not served by formal financial institutions (CBN, 2005 :5). Similarly, Eluhiawe (2005) suggests that microfinance is the provision of thrift credit and other financial services and products in very small amounts to the poor to enable them to raise their income levels and improve their standard of living.

The CBN supervises and provides the basic policies on the operation of the financial system(CBN, 2009). In 1986, the government started the banking deregulation that gave rise to the emergence of new financial institutions and services. The introduction of programmes such as the National Poverty Eradication Programme (NAPEP) and the FEAP complimented the provision of credit to the poor and small businesses. According to Levine, (1997:688) a suitable financial or monetary policy induces an efficient financial system to mobilise savings for investment and this could have a profound effect on entrepreneurship financing and economic growth. However, most of the programmes failed or showed little success (Abraham and Balogun, 2012; Iganiga, 2008). The CBN renewed the drive and transformed all community banks in Nigeria to MFB (CBN, 2005:13). All MFBs that have a minimum paid up capital of ₦1 billion, operate in all states, while those that have up to ₦20 millions of paid up capital can operate as a branch within a state. The CBN requires the registered non-bank MFBs to forward periodic returns on their activities(CBN, 2005 :17).

According to Schumpeter (1934), a well-functioning financial intermediary should spur economic gains by identifying and funding entrepreneurs with the best chances of successfully implementing innovative products and production processes. The European economic growth policy promotes entrepreneurship financing. Therefore, the key to economic growth and productivity improvements lies in the entrepreneurial capacity of an economy (Audretsch and Kielbach, 2007 : 1243).

A survey of the financial sector shows that 56.3 million adult Nigerians do not have bank accounts (EFInA, 2012). Furthermore, not more than 9.2 percent of the total population get their financial services from the formal financial sector (EFInA, 2014). Therefore, an improved provision of financial services is required to have a greater impact on poverty alleviation and women’s empowerment.

2.4.1 The Nigerian Microfinance System

The existing MFIs in Nigeria are still at their developmental stages, as the ability of the financial sectors to perform were periodically punctuated by its vulnerability to systemic distress and macro-economic volatility (Kama, 2006). Furthermore, Akpansung and Gidigbi (2014) argue that the financial intermediation in Nigeria failed to strengthen the market forces to positively drive the economy. Similarly, Stewart *et al.*'s (2010) systematic review of empirical studies on the impact of microfinance, particularly microcredit and micro-savings on the incomes of poor people in SSA countries, concludes that it has a modest but not a uniform positive impact.

The Nigerian formal financial system provides services to 35 percent of the economically active population while the remaining 65 per cent are excluded from access to financial services (CBN, 2005). This creates a financial gap often filled by the services of the informal financial sector such as the thrift collectors. Ehijiamusoe (2008) observes that lending to the poor or microenterprises, is no longer just a nice thing but equally a profitable business.

The thrift collectors provide personalised services to the borrowers throughout the week days and weekends (Esiobu *et al.*, 2015; Oloyede, 2008). The services include interest-free loans without collateral, the absence of lengthy filling in of application forms and formal forms of identifications, which are the basic requirements of commercial banks (Oloyede, 2008: 36). The availability of these services helps the poor to save, access their deposits, and make requests for further credits. However, the contracts often include a monthly service and fees. This is deducted at the end of each month as the contributors receive their total savings less one day of the money contributed (Esiobu *et al.*, 2015 :1).

Recently, the Nigerian MFBs have been less active on the mix market website (Abraham and Balogun, 2012 :37). The mix market website provides a platform for delivering microfinance information and level of activities. The mix market diamond level ranking system indicates the MFI's level of transparency and supporting documentation for all data.

2.5 Gender Equality, Poverty, and Economic Growth

There are growing concerns regarding the increase of poverty worldwide. In recent decades, the number of people living below $1 a day in developing countries is 980 million in 2004 as compared to 1.2 billion in 1990 (UN, 2007). Therefore, both developed and developing economies made concerted efforts towards reducing world poverty and boosting education. The provision of educational opportunities for women could increase their wages and empowerment relative to men (Schultz, 2002; World Bank, 2001a). However, gender equality could also increase opportunities for women, reduce poverty, and accelerate economic growth.

According to Littlefield and Rosenberg (2004), the poor are excluded and often denied access to financial services. The financial exclusion has been a challenge in financial intermediation. In order to tackle poverty, gender inequality, and economic growth, there should be an effective social and economic support for the low-income generating segment of the society. The Millennium Development Goals (MDGs) were agreed during the Millennium Summit of the United Nations in 2000 to be achieved by the world in 2015 to alleviate poverty and improve healthcare and education (Kaiser *et al.*, 2014:1; Audu and Achegbulu, 2011:220; Iganiga, 2008; Mahmood *et al.*, 2014; Sengupta, 2013:282).

The primary three MDG goals are first, to eradicate extreme poverty and hunger. Second, to achieve universal primary education; and third, to promote gender equality and empower women. However, microfinance relates to the first and third MDG goals (Mawa, 2008). Furthermore, the head of state and the government of the Africa Union met in March 2015 and declared 2015 as the year of women's empowerment and development towards African agenda 2063. The agenda includes the economic empowerment of African women.

2.5.1 Poverty Concepts

The concept of poverty is intractable and will continue to create a philosophical discourse (Green and Hulme, 2005:876). Boateng *et al.*(2015: 101) define poverty "*as the deprivation of basic necessities of life such as food, shelter, accommodation, and clothing"*. The United Nations Development Programme (UNDP) in its annual report (2008:13) states that *"Poverty is not just about money: lack of access to essential resources goes beyond financial hardship to affect people's health, education, security, and opportunities for political participation".*

The nature of poverty is so persistent that people can fall into it and they could be lifted out if their income level increased (Green and Hulme, 2005:867). However, there is no absolute standard definition of poverty or clear consensus among scholars and policy makers on how to define, measure, or eradicate poverty. Rowntree (1922:54) notes that those families who often do not earn enough to obtain the minimum necessities of life, such as adequate food, clothing, and shelter are regarded to be in primary poverty. However, Ahlin and Jiang,(2008:2) refer to poverty as the number of people earning a subsistence level of income. Similarly, Altimir (1982:7) describes the concept of poverty as a situation of poor health facilities, low level of education, malnutrition, and lack of participation in decision making processes.

Recently, a few scholars considered poverty to be a situational change that has a mix of the qualities of underconsumption relating to the 'haves' and 'have-nots'. The 'haves' typically live an elegant life whereas, the 'have-nots' experience a lack of good or favourable good health.(Chirkos, 2014). The world's most poor people that live with less than US$2 per day, are prevalent in Asia and Africa (World Bank, 2001: 3). Poverty has become more complicated and complex. Therefore, the eradication of poverty should include other factors outside the measurement in terms of monetary value. The concept of poverty is often linked to lack of income, assets, and resources. However, recently the meaning of poverty has been extended to include variables such as lack of self-respect and independence (Cagatay, 1998). Weiss, *et al.* (2003) in an attempt to find solutions to poverty, argue that it is necessary to understand the diverse groups or sections of the poor. The impact on the poor must be visible. The extreme poor and destitute are rarely reached by microfinance, as social benefits are more appropriate to address their needs. However, those who temporarily lack basic needs due to unexpected adverse circumstances, should be treated differently from chronically poor people. The destitute or those that become poor due to social exclusion or physical disabilities, usually have less access to resources and assets. There are challenges in measuring human poverty. The measurement often focusses on tangible resources such as education, clean water, health services, and shelter. The measurement of poverty will be useful in clarifying the relationship between gender inequality and poverty especially on gender differences concerning the lack of education and health services and social constraints (Cagatay, 1998).

Mosley's (2014:17) study of 31 African countries during the period of 1990 to 2010, found contrasting failures and successes in two low-income SSA economies. He observed that Nigeria has a healthy rate of economic growth and a poverty elasticity of +0.69 whereas another comparable economy Ghana has a poverty elasticity of -0.61. Thus, it appears that the large difference between Ghana and Nigeria shows the challenges of using economic growth indicators to measure poverty levels (Klasen, 2008: 427).

The arithmetic mean is generally used in measuring relative poverty (Atkinson, 1998:2). However, the arithmetic mean measurement could be misleading due to outliers as income distribution is often positively skewed (Mincer, 1958 : 286). Fosu's (2009) comparative study of SSA and non-SSA countries concludes that poverty reduction attributes are country specific. Therefore, each country's inequality attributes need to be understood for a poverty reduction strategy to be effective (Fosu, 2009 : 2).

2.5.2 Developing and Developed Countries Poverty Alleviation

The incidence of poverty differs in varying proportion both in developed and developing economies (Seibel, 2010). This is the result of market failures where a competitive financial market system creates financial exclusion that makes a few individuals better off and others worse off (Vanroose and D'Espallier, 2013; Sengupta and Aubuchon, 2008; Duvendack *et al.*, 2011). The imbalance of credit intermediation creates opportunities for organised financial services providers that are not subjected to regulation, to operate (World Bank, 2005: 3). However, efforts by government and formal financial services providers to incorporate financial inclusion have only achieved limited success (Sandhu *et al.*, 2012 : 648).

The MFI ethos that operates on both social and financial missions, can deal with poverty more effectively than commercial banks through the use of a friendly approach to assist the poor to access financial services (Jain and Mansuri, 2003; Hoff and Stiglitz, 1990). The method focusses on the borrowers' and lenders' mutual relationship that excludes infraction from the state or any other intermediary agents (Kleinman, 2014:1). However, banks often reject applications for credit from the poor (Armendáriz de Aghion, 1999). First, because banks face high transaction costs per loan transaction when lending at small scales (Banerjee and Duflo, 2007). Second, the challenges in determining the riskiness of potential borrowers and monitoring their progress is particularly difficult, especially when such borrowers are poor and are in the informal sector (Hermes and Lensink, 2007b; Banerjee and Duflo, 2007). Third, many of the low-income participants lack the assets to put up as collateral that could be seized in case of default (Hermes and Lensink, 2007b).

The poor lack the necessary skills to compete in the financial markets; therefore, they depend on primary activities such as agrarian practices (Zapalska *et al.*, 2007; Sengupta and Aubuchon, 2008). In the case of natural disaster or the outbreak of diseases, their means of livelihood could be wiped out (United Nations Development Programme, 2013). Furthermore, the occurrence of natural disasters could result in massive loan defaults (Helms, 2006). However, the MFIs recognise that the poor could generate high returns if given credit and that, by starting a small enterprise; they could earn enough income to exit poverty, expand their businesses, and improve the quality of their lives (Deneweth *et al.*, 2014 : 97; Sinn, 2013 : 341). As a result, most governments and NGOs support microfinance interventions and how these financial services provide incentives to overcome banks' reluctance to lend, especially in developing economies (Seibel, 2005).

2.5.3 MFIs' Missions and External Funding

The operational objective of MFI often has a dual orientation of financial and social missions referred to as the double bottom (Armendáriz and Morduch, 2010). The financial mission requires the MFI to meet their operating and financial costs (Bhatt and Tang, 2001: 320). On the other hand, the social mission of MFIs includes the focus on poverty alleviation and outreach to the poor (Robinson, 2001). Brau and Woller (2004) argue that an efficient MFI management should promote both social and financial objectives. Kulik and Molinari (2004) suggest that for MFIs to meet this immense potential, it is critical that they achieve financial self-sustainability with little or no dependence on donor agency. However, most MFIs are mainly donor dependent (Buckley, 1997).

The assessment and performance of MFI has no universal standard of measurement (Cull *et al.*, 2007). The organisation efficiency comes in different variations that capture a specific dimension (Cull *et al.*, 2007; Hermes *et al.*, 2009). However, most researchers commonly use Data Envelopment Analysis (DEA) for efficiency estimation (Ahmad, 2011; Bassem, 2008). Brau and Woller (2004) and Nghiem *et al.* (2006) consider an MFI to be efficient when it reduces the level of poverty and achieves financial sustainability. According to Segun and Anjugam (2013), MFIs in SSA are not efficient in providing microfinance related services or credit intermediation to the poor. Ahmad (2011) found that inefficiencies in MFI could be reduced through staff training and technological improvement.

2.5.4 Financial Dependency

The weak financial capacity of MFIs cannot guarantee a robust financial support to borrowers (Sengupta and Aubuchon, 2008:22). The MFIs do not have financial resources to provide recurring finance to their borrowers regarding short to long-term credit. Therefore, their borrowers are encouraged to take new and larger loans that entail higher repayments (Montgomery, 1996; Cons and Paprocki, 2010; Hussain, 2010). Furthermore, microfinance officers request borrowers to take their children out of school or to take loans from other sources to repay overdue loans, thereby deepening the dependency syndrome (Maitrot, 2013; Cons and Paprocki, 2010). On the other hand, Hasting *et al.* (2010) argue that microfinance intervention was designed to give a sense of community to promote democratic institutions. Accordingly, there are increasing numbers of non-poor people as microfinance customers. However, a close examination shows that MFIs are profitable industries that have links to the international finance networks that they claim to replace (Sengupta, 2013 : 290). The participants, without a clear knowledge of MFI objectives. often borrow money that leaves them in a worse condition than they were prior to the financial services intervention (Ledgerwood, 2013 : 355). Many beneficiaries of MFI initiatives have fallen victim to predatory lending schemes that have resulted in high interest rates that are beyond repayments (Adams and von Pischke, 1992; Kleinman, 2014 : 2). There are cases of MFIs mission drift, (Wijesiri *et al.*, 2015 : 80). Some of the agencies that promote financial inclusion through MFI including NGOs have sometimes encouraged the reproduction of capital accumulation. The positive benefits of microcredit on the beneficiaries appear to diminish, and even become negative the longer borrowers are enlisted in the programme. Therefore, MFIs create dependencies, and barriers to sustainable local economic and social development (Adams and von Pischke, 1992; Buckley, 1997).

Aitken (2010) found that a few MFIs use differentiated interest rates of 30 to 50 percent and the poor cannot afford the loans repayment. Such a strategy by MFIs will make the goal of poverty alleviation unreachable (Otero, 1999). Furthermore, Kleinman's (2014) study in Haiti concludes that there are fundamental tensions between the short-term social goals of microfinance practices and the long-term financial objectives of the investors.

2.5.5 Economic Growth

Microfinance helps the poor to take risks and become entrepreneurs (M. A. Haque and Harbin, 2009). The growth in enterprise and investment would stimulate economic growth. Morrison, *et al.* (2007) observes that at a macro level, there is an empirical relationship between poverty, gender equality, and economic growth. Furthermore, Pitt and Khandker (1998), Khandker (2003), and Goldberg (2005) review of the Grameen microfinance model and concluded that microfinance could increase the income of the poor and reduce poverty. Similarly, Mahmood (2011) found that MFIs in the province of Punjab, Pakistan helped provide credit to women to start their businesses. Additionally, Ghalib *et al.*(2012) observe that microfinance has a positive impact on the wellbeing of households. However, the impact of the microfinance intervention depends on the design and model of operationalisation.

Mosley and Rock's (2004) study of five African countries concluded that the benefits of microfinance to the poor are diverse and should be evaluated on wider impacts such as engaging the poor as employees of MFIs, human capital enhancement, and improvement in risk management capacity. The study showed that microcredit enhances economic growth and human capital through expenditures on education, health and increased social cohesion by sharing information on market prices, technology, common storage facilities and the pooling of resources in connection with the transportation of goods to and from marketplaces. In another study, in the Iramba District of Singida

Region of Tanzania, Girabi and Mwakaje's (2013) comprehensive review of 98 respondents showed that microfinance credit beneficiaries in the Iramba District had higher agricultural productivity compared to non-beneficiaries. The credit beneficiaries were better off with access to the market for agricultural commodities, input usage, and the adoption of improved farming technologies.

These empirical studies on the positive impact of microfinance on poverty alleviation, empowerment and economic growth have contributed to the increased interest of scholars and policy makers (Armendáriz de Aghion and Morduch, 2005; Augsburg *et al.*, 2013; Imai and Azam, 2012; Imai *et al.*, 2012; Lensink, 2012). The single most significant finding to emerge, is that microcredit is not too small to finance and maintain a viable project (Milana and Ashta, 2012). However, the recent positive impact assessments of microfinance intervention seem to have social and economic missions (Armendáriz and Morduch, 2010). First, microfinance proves that the poor are bankable; and second: microfinance provides financial services to those on a low-income and the poor excluded by formal financial markets.

Many developing countries in SSA have realised the benefits of microfinance. For example, the poor participants in microfinance could withstand financial vulnerability due to a portfolio of income sources. Morris and Barnes (2005) found that participants of microfinance in Uganda had better chances to withstand financial vulnerability through the diversification of their income sources and the amount of assets accumulated. However, the majority of MFIs and schemes in Nigeria have failed to achieve their objectives due to government bureaucracy (Abraham and Balogun, 2012; Iganiga, 2008). These failures could have a significant negative impact on the poor. Therefore, a positive policy change is required to support the MFIs. This is another important justification for the study. The government should design policies and implement an effective strategy to help the poor, especially women, to increase their economic activities. The focus on women is considered appropriate because the female gender seems more likely to repay loans (Armendáriz and Morduch, 2005).

Furthermore, women could have a greater impact on their community as they are considered more likely to apply for funds for the improvement of their families (Croson and Buchan, 1999; Maclean, 2010). D'Espallier, *et al.* (2011) analysed 350 MFIs in 70 countries and provided some empirical positive responses regarding women borrowers associated with lower portfolio-at-risk, lower write-offs, and lower credit loss provisions for MFIs. The practice of microfinance empowers women as it provides the opportunity to invest and the enhancement of social status (Hermes and Lensink, 2011). Additionally, women are among the world's poorest groups and the money they earn is often spent on their children's health and education. However, women are more conservative and vulnerable to the shame of social sanctions as their repayment rate is usually higher than men's therefore, women are considered to be better borrowers (Armendáriz and Roome, 2008; D'Espallier *et al.*, 2011; Ebimobowei *et al.*, 2012).

2.5.6 Entrepreneurship

In recent years, several studies have focussed on the relationship between entrepreneurship, access to finance, family wellbeing and empowerment. There are ripple effects and positive benefits to microfinance beneficiaries. Duvendack *et al.* (2011) conclude that access to finance has a direct effect on family wellbeing, entrepreneurship, and women's empowerment.

Entrepreneurship is important in the development of any economy. There exists a relationship between entrepreneurship levels and economic growth and poverty alleviation and reduction in developing and developed economies. Casson (2003) has made available a list of the qualities entrepreneurs require for decision making because entrepreneurial skills are hard to measure (Armendáriz de Aghion and Morduch, 2005). Among the qualities listed are self-knowledge, imagination, practical knowledge, and analytical ability in order to formulate decisions for solving problems; foresight and search skills for data gathering; and computation and communication skills for the execution of the decision. Entrepreneurship is vital in developing strategies for economic growth especially in poorer economies (Birley, 1989). Dhameja (2004) observes that women in household work like entrepreneurs who survive on limited resources and use skills to form useful things especially from waste materials. The traditional female gender role expectation in many developing countries such as Nigeria makes entrepreneurship a difficult task for women (Sinha, 2005). However, entrepreneurship appeals to women because of the flexibility in working hours which create possibilities to meet the responsibilities of home and work (Orhan and Scott, 2001).

Kim *et al.*'s (2007) study in South Africa and Swain and Wallentin's (2007) findings in India, reported a positive impact of microfinance on female empowerment. However, Goetz and Gupta (1996) argue that microfinance has done little to change the status of women within the household as men still have the control over the household's income and can misuse the available credit (Banerjee *et al.* 2013:34). Furthermore, credit granted only to women and not to men could increase the exploitation of women within households. Kabeer (2001) suggests that different methodologies and different questions asked could contribute to differences in the outcomes of female empowerment in empirical studies.

The success of women entrepreneurship also depends on the culture of the community (Abraham and Balogun, 2012a; Kaiser *et al.*, 2014). The practice of entrepreneurship and the various strategies used in the entrepreneurial process have evolved both in developing and developed countries (Birley, 1989). Despite the contribution of entrepreneurship to society, entrepreneurship was only recognised as an important part in the development of society in the 18^{th} century (Matlay, 2005).

Some researchers consider the importance of inspiring female entrepreneurs to set up and run new microenterprises like men. The female entrepreneurs play an important role in the economic development of society. According to the World Bank report (1994), women can improve the economic growth of any country if they are economically active. There has been increased attention since the growing numbers of female owned businesses and a focus on their enterprise and economic activities (Matlay and Martin, 2009). Accordingly, Dhameja (2004) refers to a woman in the house as an entrepreneur as she helps the family to survive on limited resources.

The concept of entrepreneurship is still in the infancy stage in developing and transitional economies (Carter and Shaw, 2006; Jalbert, 2000). The female entrepreneurs' acceptance in developed economies, is gradually being replicated in developing economies. However, the level of entrepreneurial activities varies between male and female participants in developing and developed countries due to culture, and customs. According to Birley (1989), women's choices of entrepreneurial activity are constrained by societal and cultural conditions. The push and pull factors for developing and developed economies differ. Culture and family conditions play an important role in developing a country's entrepreneurial development. The other barriers such as the societal expectations of gender role make enterprise start up difficult for women (Sinha, 2005).

In developed economies, training and education are vital for women and entrepreneurial development (Matlay, 2008) whereas, in developing economies, education is less important compared to family support (Sinha, 2005). The female gender often prefers to start up business in low growth retail and service industries (Anna *et al.*, 2000). However, this is applicable to women in developing countries as they participate in consumer-oriented industries (GEM, 2007). While the female genders in developed economies are prevalent in extractive and transformative industries, and the business services sector (GEM, 2007).

The female gender could effectively contribute to social and economic activities through entrepreneurship. This is an important step in creating economic growth and improving family quality of life and wellbeing. Additionally, it could be a solution to the traditional role of women providing unpaid services and the barrier to formal employment (Goffee and Scase, 1982). It is not very clear what internal and external motivational factors are likely to drive women into entrepreneurship. However, a number of needs such as the freedom to associate, desire for wealth and autonomy could play a role (Lowe and Marriott, 2006; Orhan and Scott, 2001).

The flexibility associated with being an entrepreneur and meeting family responsibilities could be a significant pull factor. According to Orhan and Scott (2001), the flexibility of self-enterprise affords women the ability to meet and balance job responsibilities and family responsibilities (Minniti, 2003). Female entrepreneurs in both developed and developing countries, face numerous challenges during start up and managing an enterprise, such as lack of skills, limited access to capital and landed properties due to asset ownership being male dominated (Roomi, 2005). However, the burden is more on the female entrepreneurs in developing economies, as women in developed economies have more support networks from government and donor agencies.

2.5.7 Access to Finance

Access to finance can alleviate poverty and promote entrepreneurship. For the poor, the existence of financial exclusion is prevalent. However, poor female entrepreneurs encounter more difficulties than their male peers in accessing credit to finance an enterprise (Constantinidis *et al.*, 2006).

Formal financial institutions require securities to provide credits to their borrowers. Most women do not have access to property titles, a credit rating, or a record of running an enterprise to access finance (Jalbert, 2000; Deakins and Hussain, 1994). Additionally, most businesses dominated by women are not attractive in the credit market system as female entrepreneurs usually prefer to start a micro business or enterprise in the low risk and low growth market sectors. Formal financial institutions presume low growth services sectors to be risky and usually reject their applications. The usual high trend of loan rejections further constrains the female entrepreneurs. The perception is a barrier to loan applications to commercial banks (Carrington, 2006; Coleman, 2000). Furthermore, the majority of female entrepreneurs, especially those in developing countries, lack the financial skills to apply for bank loans and would prefer personal savings, money from friends or relatives to run their business (Carrington, 2006; Niethammer *et al.*, 2007). The cultural and traditional expectations of women can contribute to the lack of desire to open a personal bank account or the motivation to own long-term assets (Sandhu *et al.*, 2012). Participation in microfinance could provide women entrepreneurs with collateral- free-loans (Morrison, *et al.*, 2007). Furthermore, they will learn the skills needed in a simple loan application process. Kevane and Wydick's (2001) study in Guatemala found out why most microenterprise credits target women entrepreneurs. First, credit to women has a multiplier effect on the family; second, most NGOs support women's empowerment to promote economic growth, and third: a number of women have high loan repayment rates and are not disadvantaged in their creation of income through entrepreneurship.

2.5.8 Family Wellbeing and Empowerment

Female empowerment is often used with a variety of terms such as independence, self-reliance, control and it also has various definitions (Narayan, 2002). Empowerment is the capacity to make a selection out of the available choices within formal and informal institutions having rules and regulations (Alsop and Heinsohn, 2005). According to Cheston and Kuhn (2002) empowerment is the process of an individual or group of individuals changing from little or no power to gaining the ability to make changes that affect their lives.

The wellbeing of the family is an important issue relating to poverty alleviation including the subjective and objective measures of poverty (Coudouel *et al.*, 2002). According to Mayoux (2005) women's empowerment and the wellbeing of the family in relation to microcredit, consists of three contrasting paradigms. These are the feminist empowerment paradigm, the poverty alleviation paradigm, and the financial self-sustainability paradigm. The feminist empowerment paradigm promotes gender equality and women's human rights. This is based on various schemes that support women at household and community levels (Mayoux, 2005). The poverty alleviation paradigm considers microfinance to be an integrated tool for poverty alleviation through diverse communal projects such as small loan and literacy programmes. The financial self - sustainability paradigm focusses on access to a large number of the poor and contribution of women economic activities. This could lead to economic empowerment and policies on being self-sufficient.

These paradigms fail to take into gender equality into consideration. For example, a male could limit a woman's income generation as most men still have control over the use of credits (Goetz and Gupta, 1996). Furthermore, less mobility and unpaid domestic work could be a barrier to a female's ability to raise income (Mayoux, 2005). The studies by Kim, *et al.* (2007) in South Africa showed improvement in all nine indicators of empowerment. Similarly, Swain and Wallentin, (2007) reported on the pace of positive female empowerment through microfinance participation in India.

Pitt *et al.* (2006) found that women microfinance participants in Bangladesh have more empowerment in the household due to their financial and economic resources, freedom of movement, and development of networks. Similarly, the Sanyang and Huang (2008) study in rural Gambia, shows that women's participation in microfinance ensures economic growth and household empowerment. Furthermore, the research by Xavier *et al.*, (2008) and Afrin, *et al.* (2010) in India and Bangladesh respectively, found that microfinance helps to support female participants in entrepreneurship and financial management skills. Accordingly, Morris and Barnes' (2005) study in Bangladesh shows the growth of microenterprise and development through microfinance. An increase in access to finance through microfinance could lead women to have a better education, better health care, an increase in income and savings, and the wellbeing of their children and family. Mahmood *et al.*, (2014) study found that microfinance positively reduced poverty and increases households' income in Pakistan.

The participants in a microfinance programme have the opportunities to basic financial services and to startup their own businesses. The generation of profits in business enhances the further development of a microenterprise portfolio. This could lead to an increase in financial income, economic growth, increase in economic empowerment and the wellbeing of the family especially for women entrepreneurs.

The impact of participating in microfinance has both financial and non-financial benefits on female entrepreneurship and microenterprise development. The financial benefits include further access to finance from commercial banks, economic empowerment, and an enhanced wellbeing of the family while the non-financial benefits include business management skills and networking.

According to Goetz and Gupta (1996), microfinance made available to women, represents a form of empowerment within the household that is controlled by men in family decision. Therefore, if men could misuse the total family income, participating in microfinance will have little effect on women's empowerment in the household. Furthermore, in most developing countries, men are socially and culturally responsible to provide a livelihood to women and children. The responsibilities include the decision on the allocation of resources. Therefore, if a woman earns more income than her husband does, this could increase female exploitation within the household.

Banerjee *et al.*, (2013) argues that microfinance is only successful in creating and expanding enterprises but has no effect on health, education, and women's empowerment in the short-term. Similarly, Chowdhury et al (2009) and Jayawardana (2011) reported the lack of women development in entrepreneurship through microfinance participation.

Most of the social and cultural constraints faced by women in developing countries are not prevalent in developed countries. For example, women in developing countries often fail to meet the loan eligibility criteria due to a lack of collateral or acceptable financial history. Therefore, the barrier to access credit by women is difficult in comparison to men (Morrison *et al.*, 2007). According to Shaw (2004), financial, social, and cultural factors restrict women from starting high growth businesses despite the support provided by microfinance. This suggests the need to provide additional training for female entrepreneurs on microcredit development and organisation in order to help them to maximise their potential (Brixiova, 2010). Karlan and Valdivia (2006) advocate the training of women in business knowledge and business networking that could be helpful in promoting enterprise development.

According to Gobbi, *et al.* (2005:23), women participating in microfinance in Nepal are more successful in microenterprise development on the economic empowerment of women than their peers in Pakistan. There could be hindrance factors that prevent a successful replication of a microfinance model in one country to another. Kabeer (2001) found that various reasons account for the difference in outcomes. These include the social, cultural, and political factors that affect the people of a country directly and indirectly by building up the perception of the institutions. Additionally, the different methodologies and different strategies used in these studies could also contribute to varying results.

The practice of profiling to select low risk borrowers could prevent microfinance reaching the poor. Kabeer (2001) questions the classification of women in developing countries as belonging either to a well-off family or to a low-income group. The female entrepreneurs have to prove their entrepreneurial ability in order to access resources in a male dominated society. This does not take into consideration the potential of the female entrepreneurs, as they could be successful and earn more income than their male peers earn. However, Kevane and Wydick (2001) show that female entrepreneurs often create less employment than men do in their childbearing years. This is due to the time women allocate to caring for children. Although, as women pass their mid-thirties and may no longer be in a position to bear children, the gender gaps on productivity tend to be gradually narrowed. This is an indication that women can be economically active in their later years when they have little or no responsibilities of childcare.

For sustainable and successful microenterprises, microfinance should support the entrepreneurs to develop their skills and to earn extra income (Mawa, 2008). However, the misuse of financial services or credit given to a women entrepreneur, for example handing over money or credit to a relative or her husband for consumption, could lead to the demise of the enterprise and further financial exclusion.

The variables on female enterprise development, financial and economic empowerment, wellbeing of the family and access to finance are significant in the success or failure of female entrepreneurship. Based on these identified research studies, a model will be developed to understand the operations and the impact of microfinance interventions on Nigerian women. Furthermore, the study will identify the factors responsible for empowering women such as rural and household characteristics, cultural practice and specific training and general awareness programmes (Swain and Wallentin, 2007:3). However, further research is required to understand the motivational factors of women to develop their own microenterprises, increase female empowerment, and the ultimate effect on poverty reduction.

2.6 Gender Equality

The third MDG is to promote gender equality and empower women. According to Dollar and Gatti (1999), the presence of gender inequality hinders economic growth and poverty reduction. This is particularly evident in developed economies with alower gender inequality who have corresponding lower poverty rates (Morrison *et al.*, 2007). There are increasing needs to adopt gender equality policies and to formulate implementation strategies to boost socio economic growth and development (Francisco, 2007). However, women often fail to have equal benefit in income distribution, access to finance, control and access to family property, economic and political activities (Cagatay, 1998). Lucy *et al.* (2008) observe that the burden of poverty borne by women and children especially in developing countries is disproportionate since most female activities are unpaid and socially, and economically not recognised. There is the need to balance the contribution made by women on equal gender basis as a panacea to eradicate inequality and poverty especially in developing economies (Cagatay, 1998). The ripple effect of recognising women's economic contribution is significant. According to Morrison *et al.* (2007), female economic activities could help to increase earnings, productivity, and the wellbeing of children. This will stimulate short-term economic growth and poverty reduction and improve future opportunities for children through good health care and the chances for better education.

2.6.1 Cultural Sensitivity

The issues relating to gender and cultural sensitivities require special consideration. Society is influenced by the gender relationships that shapes our lives. Similarly, the research study is constrained by the societal demands within the particular demographical area. This could lead to some researchers either being rejected or superficially accepted by their respondents (Gurney, 1985:42). According to Krieger (1986), gender conformity and deviation in a given culture are processual, dialectical, and reflexive. The process of research reflexivity will continuously be viewed as an instrument transcending differences of culture, power, and class (Grbich, 1999:65). The MFIs in developing economies (especially Nigeria) are generally male led with a majority of female clients. Furthermore, the issues of gender may arise from the perspective of a male researcher carrying out research with women or a female researcher in a male dominated environment. Accordingly, these important variables on gender and culture were examined in the literature review that resulted in the choice of methodology adopted.

A few researchers attempted to document empirically how culture, class, and gender influence interview dynamics (Chappell and Waylen, 2013; Hadjicharalambous and Walsh, 2012). Turner and Martin (1984:271) argue that gender and cultural sensitivities are important variables that shape the interview process which could significantly influence the gaining of access to a participant and the sorts of data obtained. Therefore, lots of effort should be made to gain the status of being treated as an insider and be completely accepted with candour. Gender relationships are dynamic processes in the way they shape behaviour in time and space including the research process. For example, in a male dominated setting, a female researcher could be denied access to some locations. Similarly, a male researcher interviewing in a male dominated setting could face difficulties such as initial exclusion from a close knitted group of members, being used as a gofer or being treated as a son by older members. The researcher should attempt to understand these challenges and find robust ways to tackle the issues. One way of determining whether gender is the primary issue is to observe how a dominant male or female member treats the male and female members. These challenges are fluid, as the same characteristics that worked to the researcher's advantage may become liabilities afterwards. To be prepared for these challenges, the researcher could gain an insight into the kind of difficulties that may arise and prepare for some potential responses on them. However, it is important for the researchers to project a professional image from outer appearances as to the manner and approach of carrying out the study, being articulate, demonstrating good research skills, and the ability to convey knowledge concerning their chosen field of specialisation.

Furthermore, the gender debate is an organising voice in all cultures. The male and female genders will always be treated differently in the environment and societies have a conception of what constitutes permissible associations between genders in public. (Warren, 1988). Therefore, a male researcher would be ill equipped to conduct research in a female and a culturally integrated community. These various personal characteristics will continue to shape research fieldwork especially in developing countries such as Nigeria where political and cultural sensitivity is prevalent. However, to avoid being treated as an “uninvited interviewer or stranger” in the research environment, a female research assistant should accompany a male researcher where necessary (Johnson-Bailey, 1999). To recruit the research assistant, the researcher should sell the study to a leading gatekeeper within the demographic area and explain how the research will benefit the community through creating greater awareness in governments, financial institutions, and NGOs without exerting pressure.

However, researchers should refrain from conducting interviews in the home of the participants as this could be misjudged as being intimate and increase the chances of being seen as intrusive. Johnson (2000) suggests ways to mitigate political, cultural and gender sensitivities through using male and female researchers appropriately and finding a suitable location for the interview where women could feel comfortable. This could involve consideration for women’s daily tasks and avoid a time of the day likely to disrupt female daily routine. The timing of interviews should be arranged to take place at a mutually convenient time. However, the research should explore the range of experiences suitable for the study such as the wellbeing of family and access to finance.

There are further concerns as most of the research participants will be uneducated females, the poor, and those in low paying entrepreneurial activities. It is likely many of the participants may perceive the researcher to be upper class or an academician. This could lead to confusion over the identity of the researcher classification as either an insider or an outsider. The knowledge of the community and awareness of the social expectations of the female participants could be an advantage. The researcher considers it important to have a female research participant to elicit a more flexible and open approach and to have someone participants can trust (Johnson-Bailey, 1999). The research assistant's credibility is significant and are often judged in relation to their connectedness to the particular community. Therefore, it is vital to use a female research assistant who is more likely in their class, familiar with the research participants and who is able to participate in the study. This will contribute to the breakdown of gender and cultural barriers. However, in qualitative research, the researcher is an involved participant in the study rather than an objective observer (Bhatti, 1995). The motivation to participate in the interview or act as a research assistant will bring recognition to the leader. Furthermore, their collective pressure will attract greater attention from governments, financial institutions, and NGOs. However, a number of studies and the growing body of literature has shown that the interview process is affected by gender and cultural sensitivities, which is historical and regional specific and should be continually re-examined. This is another interesting area for researchers in methodological issues.

2.7 Hypotheses Development

The hypotheses were formulated to answer the three research questions. Based on the review of contemporary literature, the study identified gaps in the context of SSA. The five hypotheses were formulated that contextualise the research questions. The following are the research questions *first,* whether the participation of women in microfinance programmes contributes to the development of women's enterprise and entrepreneurship in Nigeria. *Second*, does participation in microfinance programmes increase opportunities for women to access external finance. *Finally*, whether the microfinance loans provide economic empowerment to the borrowers and improve the wellbeing of women.

The development of hypotheses is a good starting point for exploring theoretical investigations. The hypotheses form a key part of quantitative research, which refers to the relationship between two or more variables to answer the research questions (Clark et al., 2021). The hypothesis is often based on knowledge of the existing extant literature. Blaikie and Priest (2019) refer to hypotheses as 'tentative answers to the how and why research questions.

There are some common steps that are generally used in hypothesis testing by researchers. Some researchers identified steps in testing hypotheses (Cramer, 1998; Shrestha and Bhatta, 2018). First, by identifying what is the appropriate statistical test to be used. Second, determine and set up the rejection region by looking up the critical value in the appropriate table. Third, calculate the test statistic. Fourth, draw the conclusion to reject or accept. And finally, interpret the results.

An important part of the hypothesis testing procedure is to decide which test to be used and in which situation. Most researchers in this field of study used simple regression and multiple regression analysis as the most appropriate tools for hypothesis testing (Mahmood et al., 2014; Bakare, 2017). This is because the hypotheses involved the relationships between one dependent variable and, in most cases, more than one independent variable. This study proposed five hypotheses and used a mix of quantitative and qualitative methods to explore them. The following hypotheses constructed are the core part of the study.

Hypothesis 1.

The MFI provision of financial and non-financial services improves the chances of women's access to further finance from commercial banks. The credits provided by the MFIs to the women often lead to access to further finance from formal commercial banks.

H_1: The MFI provisions of financial and non-financial services improve the chances of women's access to finance from commercial banks.

H_0: The MFI provisions of financial and non-financial services do not improve the chances of women's access to finance from commercial banks.

Hypothesis 2.

The MFI provision of financial and non-financial services has a positive impact on the entrepreneurial abilities of women. The women often start their own businesses with money received from the MFIs.

H_2: MFI provisions of financial and non-financial services have a positive impact on women's entrepreneurial abilities.

H_0: MFI provisions of financial and non-financial services do not have a positive impact on women's entrepreneurial abilities.

Hypothesis 3.

The MFI provision of financial and non-financial services has a positive impact on women's microenterprise development.

H_3: Financial and non-financial services provided by MFI have a positive impact on women's microenterprises.

H_0: Financial and non-financial services provided by MFI do not have a positive impact on women's microenterprises.

Hypothesis 4.

The participation of women in MFI activities positively influences the economic empowerment of women.

H_4: MFI services have a positive impact on the economic empowerment of women.

H_0: MFI services do not have a positive impact on the economic empowerment of women.

Hypothesis 5.

The participation of women in microfinance activities has a positive impact on the wellbeing of their households.

H_5: MFI participation has a positive impact on the wellbeing of women and their households.

H_0: MFI participation has no positive impact on the wellbeing of women and their households.

The hypothesis 3 is different from hypothesis 2 in a specific context from the research question "Does participation in microfinance programmes contribute to the development of women’s entrepreneurship in Nigeria”. The research question take into consideration the link between entrepreneurial abilities with starting up an enterprise. The entrepreneurial abilities provide the motivation to improve enterprise performance (Feng and Chen, 2020). However, both entrepreneurial ability and enterprise differs in context. The critical examination of entrepreneurship brings to light the invisible entrepreneurs (Baker and Welter, 2020) through the analysis of entrepreneurial specific context issues (Jaim and Islam, 2018). Previous studies on women entrepreneurs often focus on developed countries on issues such as gender discrimination and access to finance that overlook patriarchal societal norms in the developing countries (Jaim, 2021). On the other hand, enterprise development encourages women’s borrowers to decide on starting an enterprise that can lead to the empowerment of women (Vijayalakshmi and Prajeetha, 2008).

Thus, hypothesis 2 relates to the MFI provisions of financial and non-financial services’ impact on women’s entrepreneurial abilities and the relationship between entrepreneurial ability and successful business outcomes (Nagaveena and Bhojanna, 2022). The entrepreneurial abilities refer to the women borrowers identifying customer needs and pursuing opportunities for insightful development (Hayton, 2015: 3). The level of confidence and self-efficacy are the major factors in building the entrepreneurial abilities of women entrepreneurs (Nagaveena and Bhojanna, 2022).

On the other hand, the third hypothesis (H_3) relates to the MFI provision of financial and non-financial services that has a positive impact on women’s microenterprise development. Participation in microfinance programmes has a significant impact on the economic and social aspects of the lives of women both in the short run and in the long run (Bansal and Singh, 2020).

2.8 Literature on Microfinance

Table 2.1 Literature on Microfinance

Author, Year and Journal	**Study Title/Theme**	**Methodology/Sample Size**	**Demography**	**Result/Observation**
Mosley, P. (2001) *The Journal of Development Studies.*	Microfinance and poverty in Bolivia/ Microfinance and poverty. MFI services have effect on poverty level.	Interview on two urban and two rural Microfinance institutions Questionnaires for 45 borrowers. The questionnaires were varied to match the needs of institutional	Bolivia The percentage of female borrowers in urban area were 100% and 56% while rural areas	Microfinance helps those on poverty fringes but has no significant impact on extreme poverty. It seems there were low levels of savings prevalent in rural areas in comparison to urban areas. There was no observed dominant level of supplying microfinance in rural and urban areas. Appropriate viable insurance has not been resolved, as clients seem to be vulnerable to de-capitalisation. Relationship between microfinance and other modalities in poverty reduction were absent.

		information requirement. Key loan dropouts were also interviewed.	were 62% and 39%	
Mosley, P., and Rock, J. (2004) *Journal of International Development.*	Microfinance, labour markets, and poverty in Africa: A study of six institutions/ Microfinance, poverty, and labour market enhancement.	Questionnaires for 150 borrowers and 50 control group. Six MFIs were examined.	South Africa, Cameroon, Zimbabwe, Uganda, and Kenya.	Benefits of microfinance to the poor are diverse especially from wider impacts, such as engaging poor people as employees of MFIs. Microcredit often enhances human capital through expenditures on education, health and may increase social cohesion by sharing information on market prices, technology, common storage facilities, pooling resources on the transportation of goods to and from marketplaces.
Mosley, P. and Steel, L. (2004)	Microfinance, the Labour Market and Social Inclusion: A	Interviews on 45 borrowers on four microfinance/communit	UK MFIs in Glasgow,	Availability of microloans has positive impact on unemployment. These help to reduce social security payments.

Social Policy & Administration.	Tale of Three Cities/ Microfinance and employment creation.	y development finance institutions.	Sheffield, and Belfast.	For greater impact on the wider society, there is need for product diversification by MFIs such as micro insurance and for imaginative pricing policies.
Coleman, B. E. (2006) *World Development.*	Microfinance in Northeast Thailand: who benefits and how much / Microfinance and poverty Alleviation.	Two village MFIs (80% of rural household borrowers) that targeted the poor were surveyed (444 households in 14 villages).	Thailand.	Microcredit did not reach the poorest of the poor while those in authority were biased in allocating extra credits to themselves and their family members. Grameen Bank model was not adopted in credit allocation.
Annim, S.K. and Alnaa, S.E. (2013) *Research in Applied Economics.*	Access to Microfinance by Rural Women: Implications for Poverty Reduction in	Questionnaires were used on 250 beneficiaries and 250 non-beneficiaries by face-to-face interviews.	Ghana Upper East Region	Access to finance by rural women positively impacts on their consumption expenditure and improves their level of poverty. Districts with vibrant market centres have lesser probability of accessing microcredit from MFI’s.

	Rural Households in Ghana / MFIs and poverty reduction on rural women.			
Haile, H.B., Bock, B., and Folmer, H. (2012) *Women's Studies International Forum.*	Microfinance and female empowerment: Do institutions Matter? / MFIs, Access to microcredit poverty reduction and gender inequalities.	Qualitative and quantitative with surveys, interviews and focus group discussions. Questionnaire on 142 married Women.	Ethiopia Amhara Region and Southern Nations Nationalities People's Region?	Microfinance may contribute to the empowerment of women through its ability to influence expenditure, the share of domestic labour and by helping reduce domestic marital conflicts.
Girabi, F. and Mwakaje, A.E.G. (2013)	Impact of Microfinance on Smallholder Farm	Questionnaires were used on 98 participants.	Tanzania,	Microfinance credit beneficiaries in the Iramba District have higher agricultural productivity compared to non-beneficiaries. These credit beneficiaries performed

Asian Economic and Financial Review.	Productivity in Tanzania: The Case of Iramba District/ Microfinance, Agricultural productivity, Poverty alleviation.		Iramba District in Singida Region.	relatively better in accessing the market for agricultural commodities, input usage, and adoption of improved farming technologies.
Ngo, T.M. And Wahhaj, Z. (2012) *Journal of Development Economics.*	Microfinance and Gender Empowerment/ Microfinance Access to credit Social capital	Secondary data on survey conducted by national statistics—10800 surveyed 1392 requested loans.	Cote d'Ivoire	Low-income families prefer informal sources of finance. Microfinance (MF) has a significant role in developing countries. More savings by MFI than what they give out in loans. Further studies required regarding what is the exact role of MF in developing countries.

Agier, I. and Szafarz, A. (2013) *World Development.*	Microfinance and Gender: Is There a Glass Ceiling on Loan Size? / Microcredit, microfinance, women entrepreneurs,	Secondary data from MFI database comprising 34,000 loan applications.	Brazil	The loan approval rate does not consider gender but that there is a glass ceiling on the size of loans granted to women that could hurt female entrepreneurs with larger projects and MFI that will lose the profit.
Madichie, N. O. and Nkamnebe, A. D. (2010) *Gender in Management: An International Journal.*	Microcredit for microenterprises? A study of women “petty” traders in Eastern Nigeria/ Access to microcredit by women.	In-depth interviews of 20 women petty traders.	Nigeria	The study identified internal, social, cultural, and environmental constraints to access microcredit by women.

Kim, J. C., Watts, C. H., Hargreaves, J. R., Ndhlovu, L. X., Phetla, G., Morison, L. A., Busza, J., Porter, J. D. H. and Pronyk, P. (2007) *American Journal of public health.*	Understanding the impact of a microfinance-based intervention on women's empowerment and the reduction of intimate partner violence in South Africa/ The impact of microfinance on women's empowerment	Quantitative data on 450 participants and Interviews.	South Africa	Microfinance helps to empower women, however, initially with microfinance there is a risk of an increase in violence towards women that reduces after its acceptability in the locality.
Islam, A., Nguyen, C. and Smyth, R. (2015)	Does microfinance change informal lending in village	Panel data on borrowing participants collected before and	Rural Bangladesh	The availability of microfinance to households reduces the rate of borrowing from the informal sector over a

Journal of Banking & Finance.	economies? Evidence from Bangladesh/ The long-term effect of Microfinance on household borrowing.	after loan on three rounds-1987, 2000 and 2008		period, but the amount of informal loans? borrowed remains unchanged.
Boateng, G. O.,Boateng, A. A. and Bampoe, H. S. (2015) *Review of Business and Financial Studies.*	Microfinance and Poverty Reduction in Ghana: Evidence from Policy Beneficiaries/	Questionnaires used on 60 participants selected based on purposeful sampling technique.	Ghana	There is a positive relationship between microfinance, household growth, and participation in social activities. The microfinance beneficiaries had improved income levels, education levels, and family growth.
Mutisya, M. S., Okibo, B. W.and Olweny, T. (2014) *International Journal of Business and Commerce.*	Effect Of Microfinance Services on Performance of	The sample size of 396 participants with questionnaires.	Kenya	The use of microfinance services influences businesses run by women. This positively boosts their performance especially with ancillary services such as training programmes and advisory services.

	Businesses Owned by Women in Kiberia Slum, Nairobi County/			
Quan, V. L. and Raven, P. V. (2015) *The Journal of Developing Areas*.	Woman Entrepreneurship in Rural Vietnam: Success and Motivational Factors/	A survey administered to 20 women entrepreneurs in 6 different communities. Selection was done by the women union.	Vietnam	Membership in the women's entrepreneurship club led to higher performance and the microcredit helped women's businesses. Understand their business better improved their personal and social values.

Source: Author 2021

2.9 Gaps in the Literature

The scholarly debates on the impact of microfinance on poverty alleviation are often inconclusive (Islam, 2009). Annim and Alnaa (2013), Chemin (2008),Khandker, (2003), Morris and Barnes, (2005), and Pitt and Khandker,(1998) consider microfinance as a poverty alleviation tool. There are conflicting arguments that microfinance reduces poverty through extra income for household expenditures, the addition of assets and support for children's education. However, Banerjee *et al.* (2013:34), Coleman, (2006), Duong and Izumida (2002) question the methodological approach of most impact studies and conclude that microfinance does not have a positive impact on poverty alleviation. Furthermore, Coleman (1999) observes that the extremely poor are often denied access to finance by wealthier participants in microfinance intervention programmes. Thus, laying claims to alleviate poverty when the poor cannot access the financial services is misleading. A few systematic long-term studies indicate that the impact on incomes is limited and at times may be negative (Banerjee *et al.*, 2013; Morduch, 1999; Roodman and Morduch, 2011).

The views and criticisms of the empirical studies on microfinance have created controversies (Stewart *et al.*, 2010:4; Bhatt and Tang, 2001). There are concerns that aspects of methods used in the studies lack robustness (Chua *et al.*, 2000 :18), are only poverty focussed (Weiss *et al.*, 2003:14) and that there is an absence of trade-offs on financial and social missions (Brau and Woller, 2004:12). However, SSA countries have not benefitted from rigorous research on the role of microfinance on women's entrepreneurship and empowerment (Stewart *et al.*, 2010:5). This gap in the literature that has not been filled are addressed by this study.

The research adopted a methodological approach that focussed on social and cultural differences and answered the following research questions. First, does participation in microfinance programmes contribute to the development of women's entrepreneurship in Nigeria? This research question is related to the development of women's entrepreneurship supported by microfinance intervention. This includes factors such as the demographics of the women borrowers; use of microcredit by women; entrepreneurial training for women borrowers and women's participation in the activities of their enterprises. Second, does participation in the microfinance programmes increase opportunities for women to access finance from commercial banks. The lack of access to finance from formal financial institutions is an obstacle to enterprise development, especially for women (Gobbi *et al.*, 2005). The microfinance sector could enhance credit history and increase opportunities to gain access to formal financial institutions. Other factors such as support and help by MFIs to expand businesses and train women borrowers were considered in the study. Third, does a loan from the MFI increase the wellbeing of women's households? This research question has two hypotheses related to women's economic empowerment and the wellbeing of the family. The ability of women borrowers to make financial decisions in their individual households and businesses were examined. Some of the studies and analysis by scholars in the literature, have not directly focussed on the impact of microfinance on female entrepreneurship and empowerment in SSA. However, Stewart *et al.*, (2010) observe that SSA has not received similar rigorous research as in other parts of developing economies. Furthermore, SSA was ranked poorest on poverty gaps and other macro indicator measures over the period 2003-2007 (Imai *et al.*, 2012). From, the literature review above, there are quite a few research studies on microfinance in SSA. However, studies on the role of microfinance to empower women in Nigeria are rare to find and this has motivated the present study.

2.9 Summary of Chapter

This chapter reviewed the literature on the emergence of microfinance as a formal and an informal source of finance to help the poor. There have been discussions on the links between microfinance and poverty reduction, economic growth, and gender inequality. In addition, the chapter highlighted the issues relating to gender sensitivities from the perspective of a male researcher carrying out studies on MFI female borrowers. Most of the literature on the impact of microfinance on poverty alleviation often leads to inconclusive findings. However, a few of the contradicting or negative impact studies could have been due to factors such as social, cultural, and economic differences in both developing and developed countries. Some researchers are divided on microfinance intervention as a solution for poverty alleviation, economic growth, access to finance, women's empowerment and entrepreneurship, and the wellbeing of the family.

The access to peer reviewed articles on microfinance, entrepreneurship, and women's empowerment in SSA yielded limited results. However, the literature on microfinance, especially that relating to southern Asia and Latin America, was more widely available. The critical analysis of the literature and a gap in the previous research can be overcome by this study. Most studies concentrate on female empowerment in Asia and Latin America, but this research focusses on microfinance services that help to promote women's empowerment in Nigeria.

The services of microfinance have an important role to play in the lives of the poor. However, the results of evidence are mixed. The lending innovation and systems used by lending providers have implications on the poor, for example regular repayments discourage investment with long-term cycles. The group lending techniques create opportunities for joint borrowers to become peer monitors, as each member may not be jointly liable about the fear of denial of future loan acts as an incentive to monitor activities of other group members. Free riders could get worse if group sizes increase. In some countries where borrowers have options, excessive borrowing could occur through belonging to multiple groups. The benefit of social networks among women, and communication channels, would have a greater effect and influence on reducing poverty within the community.

Finally, the chapter discussed the impact of microfinance on access to finance, entrepreneurship, and women empowerment. The research shows how social and cultural differences could be a barrier for women in developing countries. The critical analysis of the literature on the study provides a platform to discuss research methodology. The next chapter that justifies the methods of research, will focus on the model suitable to test the impact of microfinance on women’s economic empowerment, women’s entrepreneurship, the wellbeing of the family and access to finance.

Chapter Three

3.0 The Conceptual Framework

3.1 Introduction

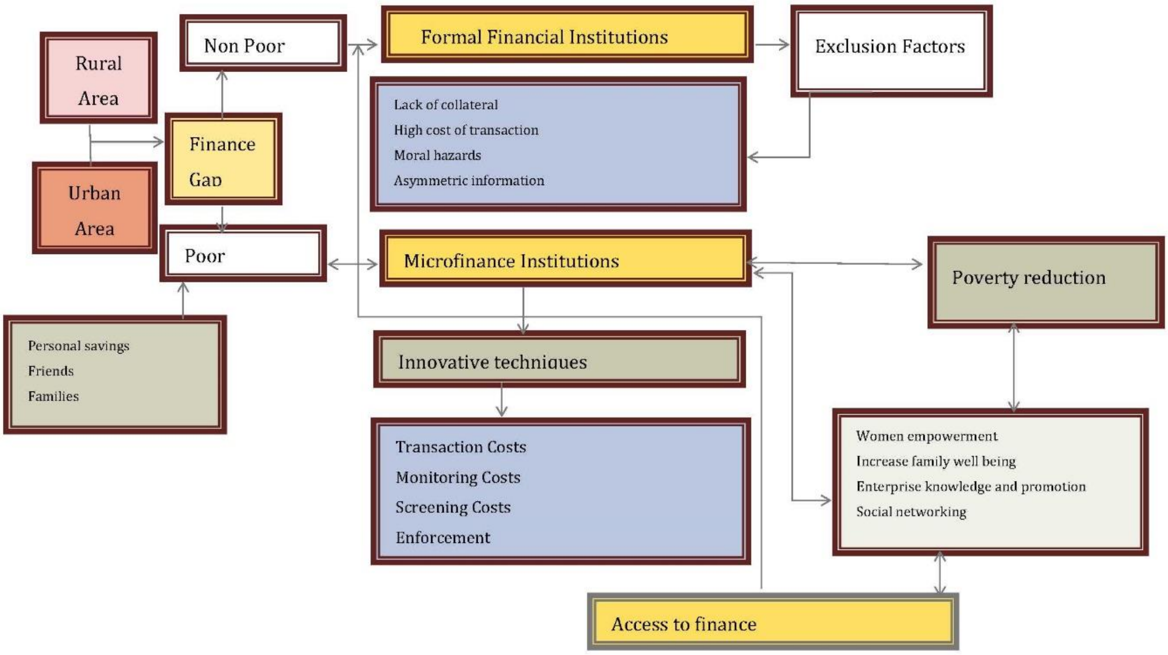
The chapter focus on the concepts, theories, and assumptions of the study. Furthermore, the chapter will explain the importance of a conceptual framework and discusses the identified research issues. The chapter structure is as follows, section 3.1.1 is the overview of the conceptual framework that will discuss the key variables and justifications for the study. Section 3.2 focusses on the framework based on the review of exploratory studies, and section 3.3 discusses the model of the conceptual framework developed for the study. The concluding section 3.4 summarises the chapter.

3.1.1 An Overview of The Conceptual Framework

The conceptual framework explains the key factors of a study in a narrative form (Miles and Huberman, 1994). Reichel and Ramey (1987) state that the conceptual framework is the set of broad ideas that are relevant in the fields of enquiry. Similarly, McGaghie *et al.* (2001) argue that the conceptual framework identifies the research variables and helps to clarify the relationships within such variables. According to Jabareen (2009:31), the conceptual framework is defined as '*a network, or a plane, of interlinked concepts that together provide a comprehensive understanding of a phenomenon or phenomena*'.

The design and primary development of this conceptual framework was done after a comprehensive literature review was conducted on microfinance and women's empowerment related to economic growth. In addition, the concepts that relate to issues women face when assessing finance and their vulnerabilities, were explored. Furthermore, the concept of women's empowerment was considered for investigation. The research problems in the study were structured into the conceptual model that helps the researcher to gain a clearer understanding of the role of microfinance on poverty alleviation and female empowerment. However, models of conceptual framework often depend on the choice of the research design, prior knowledge of the phenomena under research, and the available time for the study (Miles and Huberman, 1994).

Figure 3.1 Overview of the Study.



Source: Author 2018.

3.2 Framework Based on Review of Exploratory Studies.

A large and growing body of literature has investigated the factors and relationship between microfinance, women's empowerment, and poverty alleviation. A review of the literature identified key issues such as entrepreneurship relating to microfinance in developing and developed economies.

The entrepreneurship concept has several dimensions. However, the definition often depends on the focus of the research undertaken. Van Praag, (1999), Bull and Drucker (2005) observe that the definition of entrepreneurship is not confined to a specific literature. Entrepreneurship is important in the development of any economy and there exists a relationship between entrepreneurship levels and the economic growth, poverty alleviation and reduction in both developing and developed economies. Therefore, entrepreneurship is vital in promoting economic growth in poorer economies such as SSA (Birley, 1989). However, women's traditional roles in many households makes entrepreneurship for women challenging (Sinha, 2005).

The lack of access to finance has contributed to the slow growth of entrepreneurship in both developing and developed economies (Demirguc-Kunt, 2006). In addition, Neren's (2006) study on entrepreneurs' access to finance in SSA countries, including Nigeria, shows that the informal financial sectors contribute to employment and economic growth.

The concept of asymmetric information plays a role in facilitating financial intermediation (Akerlof, 1970). The formal financial institutions often shy away from lending to the poor without collateral due to a lack of their credit history. However, the practice of group lending often mitigates information asymmetry and adverse selection. In addition, the moral hazard associated with lending to the poor could be reduced as peer monitoring affects the behaviour of members within the group (Conning, 1999).

The study focusses on microfinance intervention and its role to empower women. The conceptual framework conceptualizes the study drawn from the review of literature to answer the research questions. First, does participation in microfinance programmes contribute to the development of women's entrepreneurship in Nigeria? The poor are financially excluded in most communities. Robinson (2001:20) observes that credit is good for the "economically active poor" but not the very poor. The MFIs support entrepreneurial women. However, the factors considered include the demographics of the women borrowers and the use of microcredit.

Second, does participation in microfinance programmes increase the chances of women's access to finance from commercial banks? The lack of access to finance from commercial banks is an obstacle to entrepreneurship in Nigeria. The MFIs enhance credit history and increase the opportunity for the poor to gain access to commercial banks. The factors examined include credit to expand businesses and MFI staff preparedness to train women clients.

Third, does a loan from MFI increase the wellbeing of women's households? The participation of female borrowers in microfinance services will economically empower women and increase the wellbeing of the family. In addition, the ability of women borrowers to make financial decisions within their household reduces family conflicts.

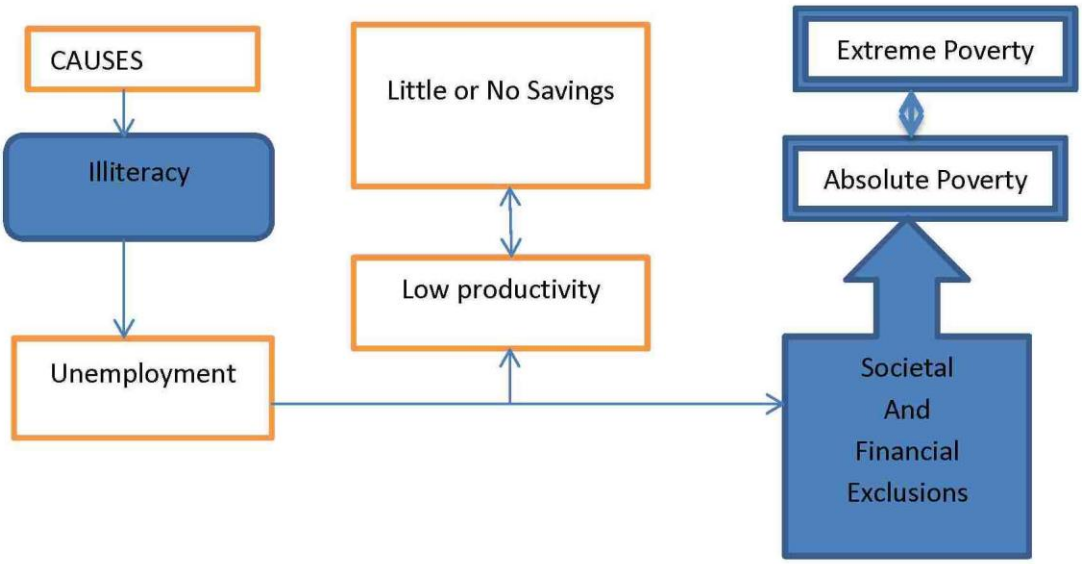
1. Poverty: the prevalence of poverty affects the economic growth of both developing and developed economies. If the measures are put right to address and minimise poverty in the economy, it engenders economic growth and development.
2. Economic Growth: is vital for the sustenance of nations.

3. The population of entrepreneurs in the economy fuels the aggregates of growth.

4. Gender inequalities: that exist in both developing and developed economies and often hinder and pull individuals into poverty.

5. Therefore, if better policies to address gender inequalities are driven, women's empowerment will result through income generation and their representation in decision making bodies.

Figure 3.2 Diagram showing the causes of Poverty



Source: Author 2018, adapted from review of literature.

3.2.1 Concept of Poverty

The concept of poverty has several dimensions and will be defined in relation to a developing economy like Nigeria (Green and Hulme, 2005). Poverty is regarded as a deprivation of the basic necessities of life such as food, shelter, accommodation, and clothing (Boateng *et al.*, 2015). Furthermore, those in financial hardship are often affected by poor health, education, security, and opportunities for political participation (UNDP, 2008). However, none of these concepts of poverty has a clear consensus among scholars and policy makers on how to define, measure, or eradicate poverty. Rowntree (1922:54) notes that those families who often do not earn enough to obtain the minimum necessities of life, such as adequate food, clothing, and shelter are regarded to be in primary poverty. However, Ahlin and Jiang,(2008:2) refer to poverty as the number of people earning a subsistence level of income. Similarly, Altimir (1982:7) describes the concept of poverty as a situation of poor health facilities, low level of education, malnutrition, and lack of participation in the decision making process.

Recently, a few scholars have considered poverty to be a situation that has a combination of the attributes of underconsumption regarding the haves as well as the ‘have-nots'. The 'haves' commonly live a lavish life whereas the 'have-nots' experience a lack of good life, poor health, and unproductive life. (Chirkos, 2014). The world’s most poor people that live with less than US$2 per day are prevalent in Asia and Africa (World Bank, 2001: 3). Poverty has become more complicated and complex. Therefore, the eradication of poverty should include other factors outside the measurement in terms of monetary value. The concept of poverty is often linked to lack of income, assets, and resources. However, recently the meaning of poverty has been extended to include variables such as lack of self-respect and lack of independence (Cagatay, 1998). Weiss, *et al.* (2003) in an attempt to find solutions to poverty, argue that it is necessary to understand the different groups or sections of the poor. The impact on the poor must be visible. The extreme poor and destitute are rarely reached by microfinance, as social benefits are more appropriate to address their needs. However, those who temporarily lack basic needs due to unexpected adverse circumstances, should be treated differently from chronically poor people. The destitute or those that become poor due to social exclusion or physical disabilities usually have less access to resources and assets. There are challenges in measuring human poverty. The measurement often focusses on tangible resources such as education, clean water, health services, and shelter. The measurement of poverty will be useful in clarifying the relationship between gender inequality and poverty especially regarding gender differences in the lack of education and health services and social constraints (Cagatay, 1998).

Mosley's (2014:17) study of 31 African countries during the period of 1990 to 2010, found contrasting failures and successes in two low-income SSA economies. He observed that Nigeria has a healthy rate of economic growth and a poverty elasticity of +0.69 whereas another comparable economy, Ghana has a poverty elasticity of -0.61. Thus, it appears that the large difference between Ghana and Nigeria shows the challenges of using economic growth indicators to measure poverty levels (Klasen, 2008: 427).

The arithmetic mean is generally used when measuring relative poverty (Atkinson, 1998:2). However, the arithmetic mean measurement could be misleading due to outliers as income distribution is often positively skewed (Mincer, 1958 : 286). Fosu's (2009) comparative study of SSA countries and non-SSA countries concludes that poverty reduction attributes are country specific. Therefore, each country's inequality attributes need to be understood for a poverty reduction strategy to be effective (Fosu, 2009 : 2).

The incidence of poverty differs in varying proportion both in developed and developing economies (Seibel, 2010). This is the result of market failures where a competitive financial market system creates financial exclusions that makes a few individuals better off and others worse off (Vanroose and D'Espallier, 2013; Sengupta and Aubuchon, 2008; Duvendack *et al.*, 2011). The imbalance of credit intermediation creates opportunities for organised financial services providers that are not subjected to regulation to operate (World Bank, 2005: 3). However, efforts by government and formal financial services providers to incorporate financial inclusion have only achieved limited success (Sandhu *et al.*, 2012 : 648).

The MFI ethos that operates on both social and financial missions, can deal with poverty more effectively than commercial banks through the use of a friendly approach to assist the poor to access financial services (Jain and Mansuri, 2003; Hoff and Stiglitz, 1990). The method focusses on the borrowers' and lenders' mutual relationship that excludes infraction from the state or any other intermediary agents (Kleinman, 2014:1). However, banks often reject applications for credit from the poor (Armendáriz de Aghion, 1999). Firstly, because banks face high transaction costs per loan transaction when lending at small scales (Banerjee and Duflo, 2007). Secondly, the challenges in determining the riskiness of potential borrowers and monitoring their progress is particularly difficult especially when such borrowers are poor and are in the informal sector (Hermes and Lensink, 2007b; Banerjee and Duflo, 2007). Thirdly, many of the low-income participants lack assets to put up as collateral that could be seized in case of default (Hermes and Lensink, 2007b).

The poor lack the necessary skills to compete in the financial markets; therefore, they depend on primary activities such as agrarian practices (Zapalska *et al.*, 2007; Sengupta and Aubuchon, 2008). In the case of natural disaster or the outbreak of diseases, their means of livelihood could be wiped out (United Nations Development Programme, 2013). Furthermore, the occurrence of natural disasters could result in massive loan defaults (Helms, 2006). However, the MFIs recognise that the poor could generate high returns if given credit and that, by starting a small enterprise; they could earn enough income to exit poverty, expand their businesses, and improve the quality of their lives (Deneweth *et al.*, 2014 : 97; Sinn, 2013 : 341). As a result, most governments and NGOs support microfinance initiatives and provide incentives to overcome the banks' reluctance to lend, especially in developing economies (Seibel, 2005).

The operational objective of MFI often has the dual orientation of financial and social missions referred to as the double bottom (Armendáriz and Morduch, 2010). The financial mission requires the MFI to meet their operating and financial costs (Bhatt and Tang, 2001: 320). On the other hand, the social mission of MFIs includes a focus on poverty alleviation and an outreach to the poor (Robinson, 2001). Brau and Woller (2004) argue that an efficient MFI management should promote both social and financial objectives. Kulik and Molinari (2004) suggest that for MFIs to meet this huge potential, it is critical that they achieve financial self-sustainability with little or no dependence on donor agencies. However, most MFIs are mainly donor dependent (Buckley, 1997).

3.2.2 Concept of Economic Growth

The difference in the growth of economies is often based on the enterprise and investment that stimulate the economic activities.

Morrison, *et al.* (2007) observed that at a macro level, there is an empirical relationship between poverty, gender equality, and economic growth. Furthermore, Pitt and Khandker (1998), Khandker (2003), and Goldberg (2005) have reviewed the Grameen microfinance model and conclude that microfinance could increase the income of the poor and reduce poverty. Similarly, Mahmood (2011) found that MFIs in the province of Punjab, Pakistan helped provide credit to women to start their businesses. Additionally, Ghalib *et al.*(2012) observed that microfinance has a positive impact on the wellbeing of households. However, the impact of the microfinance intervention depends on the design and model of operationalisation.

Mosley and Rock's (2004) study of five African countries concluded that the benefits of microfinance to the poor are diverse and should be evaluated on wider impacts such as engaging the poor as employees of MFIs, human capital enhancement, and improvement in risk management capacity. The study showed that microcredit enhances economic growth and human capital through expenditure on education, health and increased social cohesion by sharing information on market prices, technology, common storage facilities and the pooling of resources in connection with the transportation of goods to and from market places. In another study, in the Iramba District of Singida Region of Tanzania, Girabi and Mwakaje's (2013) comprehensive review of 98 respondents, showed that microfinance credit beneficiaries in the Iramba District had a higher agricultural productivity compared to non-beneficiaries. The credit beneficiaries were better off regarding the access to market for agricultural commodities, input usage, and the adoption of improved farming technologies.

These empirical studies on the positive impact of microfinance on poverty alleviation, empowerment and economic growth, have contributed to the increased interest of scholars and policy makers (Armendáriz de Aghion and Morduch, 2005; Augsburg *et al.*, 2013; Imai and Azam, 2012; Imai *et al.*, 2012; Lensink, 2012). The single most significant finding to emerge is that microcredit is not too small to finance and maintain a viable project (Milana and Ashta, 2012). However, the recent positive impact assessments of microfinance intervention, seem to have social and economic missions (Armendáriz and Morduch, 2010). First, microfinance proves that the poor are bankable; and second:

microfinance provides financial services to those on a low-income and the poor excluded by formal financial markets.

Many developing countries in SSA have realised the benefits of microfinance. For example, the poor participants in microfinance could withstand financial vulnerability due to portfolios of income sources. Morris and Barnes (2005) found that the participants of microfinance in Uganda had better chances to withstand financial vulnerability through the diversification of their income sources and the amount of assets accumulated. However, the majority of MFIs and schemes in Nigeria have failed to achieve their objectives due to government bureaucracy (Abraham and Balogun, 2012; Iganiga, 2008). These failures could have a significant negative impact on the poor. Therefore, a positive policy change is required to support the MFIs. This is another important justification for the study. The government should design policies and implement an effective strategy to help the poor, especially women, to increase their economic activities. The focus on women is considered appropriate because the female gender seems more likely to repay loans (Armendáriz and Morduch, 2005).

Furthermore, women could have a greater impact on the poor as they are considered more likely to apply funds to the improvement of their families (Croson and Buchan, 1999; Maclean, 2010). D'Espallier, *et al.* (2011) analysed 350 MFIs in 70 countries and provided some empirical positive responses regarding women borrowers associated with lower portfolio-at-risk, lower write-offs, and lower credit loss provisions for MFIs. The practice of microfinance empowers women as it provides opportunities to invest and the enhancement of social status (Hermes and Lensink, 2011). Additionally, women are among the world’s poorest groups and the money they earn is often spent on their children’s health and education. However, women are more conservative and vulnerable to the shame of social sanctions as their repayment rate is usually higher than men’s therefore, women are considered to be better borrowers (Armendáriz and Roome, 2008; D'Espallier *et al.*, 2011; Ebimobowei *et al.*, 2012).

3.2.3 Concept of Entrepreneurship

The development of rural and urban economies depends on entrepreneurship. There exists a relationship between entrepreneurship levels and economic growth, poverty alleviation and poverty reduction in developing and developed economies. Casson (2003) has made available a list of the qualities entrepreneurs require for decision making because entrepreneurial skills are hard to measure (Armendáriz de Aghion and Morduch, 2005). Among the qualities listed are self-knowledge, imagination, practical knowledge, and analytical ability to formulate the decision for solving problems; foresight and search skills for data gathering; and computation and communication skills for the execution of the decision. Entrepreneurship is vital in developing strategies for economic growth especially in poorer economies (Birley, 1989). Dhameja (2004) observes that women in households work like entrepreneurs who survive on limited resources and use skills to form useful things especially from waste materials. The traditional female gender role expectation in many developing countries such as Nigeria, makes entrepreneurship a difficult task for women (Sinha, 2005). However, entrepreneurship appeals to women because of the flexibility in working hours which creates possibilities to meet the responsibilities of home and work (Orhan and Scott, 2001).

Kim *et al.*'s (2007) study in South Africa and Swain and Wallentin's (2007) findings in India, reported a positive impact of microfinance on female empowerment. However, Goetz and Gupta (1996) argue that microfinance has done little to change the status of women (Banerjee *et al.* 2013:34) within the household as men still have the control over the household's income and can misuse the available credit. Furthermore, credit granted only to women and not to men, could increase the exploitation of women within the household. Kabeer (2001) suggests that the different methodologies and the different questions asked in studies could contribute to the differences in the outcomes of female empowerment empirical studies.

The success of women's entrepreneurship also depends on the culture of the community (Abraham and Balogun, 2012a; Kaiser *et al.*, 2014). The practice of entrepreneurship and the various strategies used in the entrepreneurial process have evolved both in developing and developed countries (Birley, 1989). Despite the contribution of entrepreneurship to society, entrepreneurship was only recognised as an important part of the development of society in the 18th century (Matlay, 2005).

Most researchers consider the importance of inspiring female entrepreneurs to set up and run new microenterprises like men do. The women entrepreneurs play an important role in the economic development of society. According to the World Bank report (1994), women can improve the economic growth of any country if they are economically active. There has been increased attention due to the growing numbers of female owned businesses and a focus on their enterprise and economic activities (Matlay and Martin, 2009). Accordingly, Dhameja (2004) refers to a woman in the house as an entrepreneur as she helps the family to survive on limited resources.

The concept of entrepreneurship is still in the infancy stage in developing and transitional economies (Carter and Shaw, 2006; Jalbert, 2000). Female entrepreneurs' acceptance in developed economies, is gradually being replicated in developing economies. However, the level of entrepreneurial activities varies between male and female participants in developing and developed countries due to culture, and customs.

According to Birley (1989), women's choices of entrepreneurial activity are constrained by societal and cultural conditions. The push and pull factors for developing and developed economies differ. Culture and family condition play an important role in developing a country's entrepreneurial development. Other barriers such as the societal expectation of gender roles, makes enterprise start up difficult for women (Sinha, 2005).

In developed economies, training and education are vital for women and entrepreneurial development (Matlay, 2008) whereas, in developing economies, education is less important than family support (Sinha, 2005). The female gender often prefers to start up business in low growth retail and service industries (Anna *et al.*, 2000). However, this is applicable to women in developing countries as they participate in consumer-oriented industries (GEM, 2007). While the females in developed economies, are prevalent in extractive and transformative industries, and the business services sector (GEM, 2007).

The female gender could effectively contribute to social and economic activities through entrepreneurship. This is an important step in order to create economic growth and to improve the quality of family life and wellbeing. Additionally, it could be a solution to the traditional role of women providing unpaid services and the barrier to formal employment (Goffee and Scase, 1982). It is not very clear what internal and external motivational factors are likely to drive women into entrepreneurship. However, a number of needs such as the freedom to associate, and a desire for wealth and autonomy could play a role (Lowe and Marriott, 2006; Orhan and Scott, 2001).

The flexibility associated with being an entrepreneur and meeting family responsibilities could be a significant pull factor. According to Orhan and Scott (2001), the flexibility of self-enterprise affords women the ability to meet and balance job responsibilities and family responsibilities (Minniti, 2003). The female entrepreneurs in both developed and developing countries face numerous challenges both during start up and when managing an enterprise, such as lack of skills and limited access to capital and landed properties due to asset ownership being male dominated (Roomi, 2005). However, the burden is more on the female entrepreneurs in developing economies, as women in developed economies have more support networks from governments and donor agencies.

3.2.4 Gender Equality Concept

The third MDG is to promote gender equality and empower women. According to Dollar and Gatti (1999), the presence of gender inequality hinders economic growth and poverty reduction. This is particularly evident in developed economies with a lower gender inequality who have corresponding lower poverty rates (Morrison *et al.*, 2007). There are increasing needs to adopt gender equality policies and to formulate implementation strategies to boost socio economic growth and development (Francisco, 2007). However, women often fail to have equal benefits in income distribution, access to finance, control and access to family property and economic and political activities (Cagatay, 1998). Lucy *et al.* (2008) observe that the burden of poverty borne by women and children, especially in developing countries is disproportionate. Since most female activities are unpaid and socially and economically not recognised. There is the need to balance the contribution made by women on an equal gender basis as a panacea to eradicate inequality and poverty especially in developing economies (Cagatay, 1998). The ripple effect of recognising women's economic contribution is significant. According to Morrison *et al.* (2007), female economic activities could help to increase earnings, productivity, and the wellbeing of children. This will stimulate short-term economic growth and poverty reduction and improve future opportunities for children through good health care and chances for better education.

The issues relating to gender and cultural sensitivities require special consideration. Society is influenced by gender relationships that shapes our lives. Similarly, the research study is constrained by the societal demands within the particular demographical area. This could lead to some researchers either being rejected or superficially accepted by their respondents (Gurney, 1985:42). According to Krieger (1986), gender conformity and deviation in a given culture are processual, dialectical, and reflexive. The process of research reflexivity will continuously be viewed as an instrument transcending differences of culture, power, and class (Grbich, 1999:65). The MFI in developing economies (especially Nigeria) are generally male led with a majority of female clients. Furthermore, issues of gender may arise from the perspective of a male researcher carrying out research with women or a female researcher in a male dominated environment. Accordingly, these important variables on gender and culture would be examined in the literature review and in the choice of methodology adopted.

A few researchers attempted to document empirically how culture, class, and gender influence interview dynamics (Chappell and Waylen, 2013; Hadjicharalambous and Walsh, 2012). Turner and Martin (1984:271) argue that gender and cultural sensitivities are important variables that shape the interview process which could significantly influence gaining access to a participant and the sorts of data obtained. Therefore, lots of effort should be made to gain the status of being treated as an insider and being completely accepted with candour. Gender relationships are dynamic processes in the way they shape behaviour in time and space including the research process. For example, in a male dominated setting, a female researcher could be denied access to some locations. Similarly, a male researcher interviewing in a male dominated setting could face difficulties such as initial exclusion from a close knitted group of members, being used as a gofer or being treated as a son by older members. The researcher should attempt to understand these challenges and find robust ways to tackle the issues. One way of determining whether gender is the primary issue is to observe how a dominant male or female member treats the male and female members. These challenges are fluid, as the same characteristics that worked to the researcher's advantage may become liabilities afterwards. To be prepared for these challenges, the researcher can gain insight into the kind of difficulties that may arise and prepare for some potential responses to them. However, it is important for the researchers to project a professional image from outer appearances in the manner and approach of carrying out the study; being articulate, demonstrating good research skills, and the ability to convey knowledge concerning their chosen field of specialisation.

Furthermore, the gender debate is an organising voice in all cultures. Male and female genders will always be treated differently in the environment and societies have a conception of what constitutes permissible associations between genders in public (Warren, 1988). Therefore, a male researcher would be ill equipped to conduct research in a female and a culturally integrated community. These various personal characteristics will continue to shape research fieldwork especially in developing countries such as Nigeria where political and cultural sensitivity is prevalent. However, to avoid being treated as an "uninvited interviewer or stranger" in the research environment, a female research assistant should accompany a male researcher where necessary (Johnson-Bailey, 1999). To recruit the research assistant, the researcher should sell the study to a leading gatekeeper within the demographic area and explain how the research will benefit the community through creating greater awareness in governments, financial institutions, and NGOs, without exerting pressure.

However, researchers should refrain from conducting interviews in the home of the participants as this could be misjudged as being intimate and increase the chances of being seen as intrusive. Johnson (2000) suggests ways to mitigate political, cultural and gender sensitivities through using male and female researchers appropriately and finding a suitable location for the interview where women would feel comfortable. This could involve the consideration of women's daily tasks and avoiding a time of day likely to disrupt female daily routine. The timing of interviews should be arranged to take place at a mutually convenient time. However, the research should explore the range of experiences suitable for the study such as the wellbeing of family and access to finance.

There are further concerns as most of the research participants will be uneducated females, the poor, and those in low paying entrepreneurial activities. It is likely that many of the participants may perceive the researcher to be upper class or an academician. This could lead to confusion over the identity of the researcher classification as either an insider or an outsider. Knowledge of the community and an awareness of the social expectations of the female participants could be an advantage. The researcher considers it important to have a female research participant to elicit a more flexible and open approach and to have someone that the participants can trust (Johnson-Bailey, 1999). The research assistant's credibility is significant and will be judged in relation to their connectedness to the particular community. Therefore, it is vital to use a female research assistant who is more likely in their class, familiar with the research participants and who is able to participate in the study. This will contribute to the breakdown of gender and cultural barriers. However, in qualitative research, the researcher is an involved participant in the study rather than an objective observer (Bhatti, 1995). The motivation to participate in the interview or act as a research assistant will bring recognition to the leader. Furthermore, their collective pressure will attract greater attention from governments, financial institutions, and NGOs. However, a number of studies and the growing body of literature has shown that the interview process is affected by gender and cultural sensitivities, which is historical and regional specific and should be continually re-examined. This is another interesting area for researchers in methodological issues.

3.2.5 Concept of Empowerment

Female empowerment is often used with a variety of terms such as independence, self-reliance, control and also has various definitions (Narayan, 2002). Empowerment is the capacity to make a selection out of the available choices within formal and informal institutions having rules and regulations (Alsop and Heinsohn, 2005). According to Cheston and Kuhn (2002) empowerment is the process of an individual or group of individuals changing from little or no power to gain the ability to make changes that affect their lives.

The wellbeing of the family is an important issue relating to poverty alleviation including the subjective and objective measures of poverty (Coudouel *et al.*, 2002). According to Mayoux, (2005) women's empowerment and the wellbeing of the family in relation to microcredit, consists of three distinct paradigms. These are the feminist empowerment paradigm, the poverty alleviation paradigm, and the financial self-sustainability paradigm.

The feminist empowerment paradigm promotes gender equality and women's human rights. This is based on various schemes that support women at household and community levels (Mayoux, 2005). The poverty alleviation paradigm considers microfinance to be an integrated tool for poverty alleviation through diverse communal projects such as small loan and literacy programmes. The financial self-sustainability paradigm focuses on the access to a large number of the poor and the contribution to women's economic activities. This could lead to economic empowerment and policies on being self-sufficient.

These paradigms fail to take into consideration the prevailing levels of gender inequality. For example, a male could limit a woman's income generation as most men still have control over the use of credits (Goetz and Gupta, 1996). Furthermore, less mobility and unpaid domestic work could be a barrier to a female's ability to raise income (Mayoux, 2005). The studies by Kim, *et al.* (2007) in South Africa showed an improvement in all nine indicators of empowerment. Similarly, Swain and Wallentin, (2007) reported on the pace of positive female empowerment through microfinance participation in India.

Pitt *et al.* (2006) found that female microfinance participants in Bangladesh have more empowerment in the household due to their financial and economic resources, freedom of movement, and the development of networks. Similarly, the Sanyang and Huang (2008) study in rural Gambia, shows that women's participation in microfinance ensures economic growth and household empowerment. Furthermore, the research by Xavier *et al.*, (2008) and Afrin, *et al.* (2010) in India and Bangladesh respectively, found that microfinance helps to support female participants in entrepreneurship and financial management skills. Accordingly, the Morris and Barnes (2005) study in Bangladesh shows the growth of microenterprise and development through microfinance. An increase in access to finance through microfinance could lead women to have better education, better health care, an increase in income and savings, and the improved wellbeing of children and family. Mahmood et al's., (2014) study found that microfinance positively reduces poverty and increases households' incomes in Pakistan.

The participants in microfinance programmes have opportunities to basic financial services and to startup their own businesses. The generation of profits in business enhances a further development of microenterprise portfolios. This could lead to an increase in financial income, economic growth, an increase in economic empowerment and improves the wellbeing of the family especially for women entrepreneurs.

The impact of participating in microfinance has both financial and non-financial benefits on female entrepreneurship and microenterprise development. The financial benefits include further access to finance from commercial banks, economic empowerment, and the improved wellbeing of the family while the non-financial benefits include business management skills and networking.

According to Goetz and Gupta (1996), microfinance made available to women, represents a form of empowerment within the household that is controlled by men in family decision making. Therefore, if men misuse the total family income, participating in microfinance will have little effect on women's empowerment in the household. Furthermore, in most developing countries, men are socially and culturally responsible to provide a livelihood for women and children. The responsibilities include the decision on the allocation of resources. Therefore, if a woman earns more income than her husband does, this could increase female exploitation within the household.

Banerjee *et al.*, (2013) argue that microfinance is only successful in creating and expanding enterprises but has no effect on health, education, and women's empowerment in the short-term. Similarly, Chowdhury(2009) and Jayawardana, (2011) reported a lack of women's development in entrepreneurship through microfinance participation.

Most of the social and cultural constraints faced by women in developing countries are not prevalent in developed countries. For example, women in developing countries often fail to meet the loan eligibility criteria due to lack of collateral or an acceptable financial history. Therefore, the barrier to accessing credit for women is difficult in comparison to men (Morrison *et al.*, 2007). According to Shaw (2004), financial, social, and cultural factors restrict women from starting high growth businesses despite the support provided by microfinance. This suggests the need to provide additional training for female entrepreneurs on microcredit development and organisation in order to help them to maximise their potential (Brixiova, 2010). Karlan and Valdivia (2006) advocate the training of women in business knowledge and business networking that could be helpful in promoting enterprise development.

According to Gobbi, *et al.* (2005:23), women participating in microfinance in Nepal are more successful in microenterprise development on the economic empowerment of women than their peers in Pakistan. There could be hindrance factors that prevent a successful replication of a microfinance model from one country to another. Kabeer (2001) found that various reasons account for the difference in outcomes. These include the social, cultural, and political factors that affect the people of a country directly and indirectly by building up the perception of the institutions. Additionally, the different methodologies and different strategies used in these studies could also contribute to varying results.

The practice of client profiling to select low risk borrowers could prevent microfinance reaching the extreme poor. Kabeer (2001), questions the classification of women in developing countries who belong either to a well-off family or to a low-income group. The female entrepreneurs have to prove their entrepreneurial ability in order to access resources in a male dominated society. This does not take into consideration the potential of the female entrepreneurs, as they could be successful and earn more income than their male peers earn. However, Kevane and Wydick (2001) show that female entrepreneurs often create less employment than men do in their childbearing years. This is due to the time women need to allocate to caring for children. Although as women pass their mid-thirties and may no longer be in a position to bear children, the gender gaps on productivity tend to be gradually narrowed. This is an indication that women can be economically active in their later years when they have little or no responsibility for childcare.

For sustainable and successful microenterprises, microfinance should support the entrepreneurs to develop their skills and earn extra income (Mawa, 2008). However, the misuse of financial services or credit given to a women entrepreneur, for example handing over money or credit to a relative or her husband for consumption, could lead to the demise of the enterprise and further financial exclusion.

The variables on female enterprise development, financial and economic empowerment, the wellbeing of the family and access to finance are significant in the success or failure of female entrepreneurship. Based on these identified research studies, a model will be developed to understand the operations and impact of microfinance interventions on Nigerian women. Furthermore, the study will identify the factors responsible for empowering women such as rural and household characteristics, cultural and political practice and specific training and general awareness programmes (Swain and Wallentin, 2007:3). However, further research is required to understand the motivational factors of women to develop their own microenterprises, to increase female empowerment, and the ultimate effect of poverty reduction.

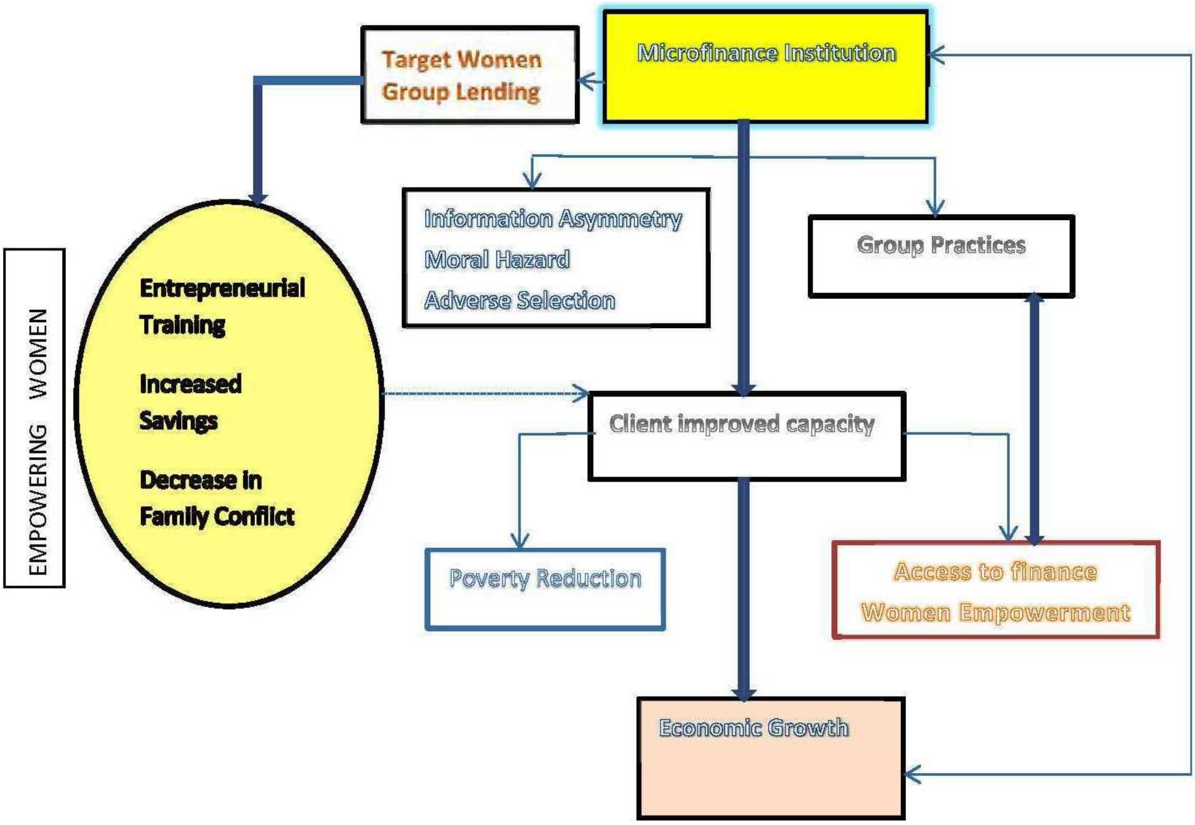
3.3 Conceptual Framework of the Study

The loans received from the MFIs by the female borrowers, improve the wellbeing of the women's households and their families. In addition, the practice of entrepreneurship enhances their communication skills, self-confidence skills, leadership qualities, and other skills such as budgeting; finance and planning that are required to run enterprises. The success of female entrepreneurs is evidenced through the increase in their profit and sales.

The Conceptual Framework (CF) helps to identify the areas that require additional improvement. The promotion of microfinance services will develop the Nigeria microfinance sector especially in rural areas.

The CF highlights the benefits linked with the promotion of female entrepreneurs. Therefore, the government and policy makers should promote rapid economic growth and identify the skills required by female entrepreneurs. The focus of the sponsoring agencies should be the economic empowerment of women and supporting their further access to finance from commercial banks.

Figure 3.3 Empowerment of Women



Source: Author 2018 adapted from Ekpe et al 2010.

3.4 Chapter Summary

The chapter focussed on the CF of the study. The conceptualization of the model was based on the review of the literature, study overview and the practice of MFIs. The CF shows the significant obstacles that are encountered in targeting active poor women borrowers such as adverse selection, moral hazards, and information asymmetry.

The CF highlights the economic benefit of the activities of the MFIs to improve client-capacity. Furthermore, the CF contributes to economic growth and other influencing economic benefits such as poverty reduction, women’s entrepreneurship, and further access to additional loans from commercial banks. This is consistent with the empowerment of women, which is achievable at both an individual level and a group interaction basis through increased savings, entrepreneurial training, and decrease in family conflicts.

Chapter Four

4.0 Research Methodology

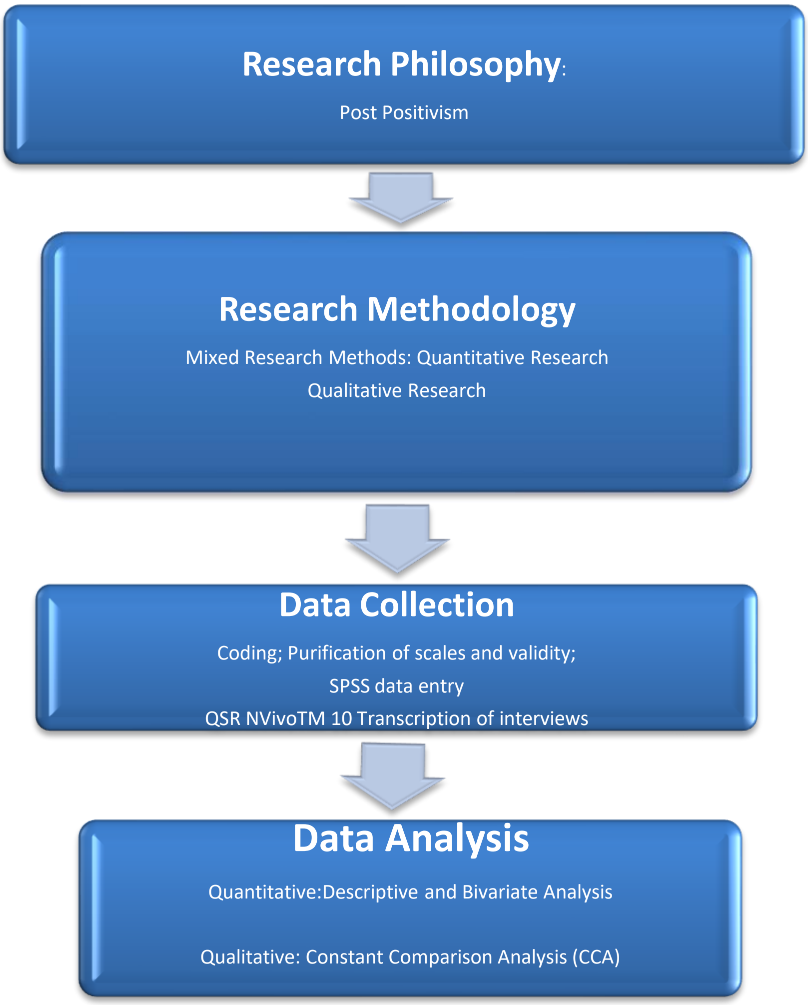
4.1 Introduction

This chapter focuses on research methods and the justification for the research methods used in carrying out the study, including other related issues affecting the adoption of the research design. The discussions explained the steps used to address the theoretical framework for the research design, the data collection, and the methods used to analyse the data.

The first section of the chapter discussed the research philosophy, including a review of the research methods used. The second section focussed on the design of the survey, the sampling technique, and the pilot study, including the purification, testing, and measurement of the research instruments. The third section examines the issues, challenges, and problems encountered at each stage in the fieldwork and the concluding section provides the data collection processing and the methods of analysis.

The research methodology justifies the ontological and epistemological issues in the research philosophy. Ontology helps to recognise truth claims and what is reality. Which relates to different and conflicting ideas of reality. On the other hand, epistemology constitutes aspects of the validity and what constitutes a knowledge claim. Additionally, the choice of sampling method, data collection methods, the pilot study, and field works, including problems encountered, were considered. The quantitative data collected through questionnaires were analysed using descriptive and bivariate statistics with the aid of Statistical Packages for Social Sciences (SPSS) statistical software. Furthermore, the qualitative data collected through interviews with the loan officers, managers, and female clients of MFIs were analysed qualitatively. This led to discussions on the data obtained in terms of its value and contribution to the research aim and engenders a greater understanding of the relationship between microfinance intervention with access to finance, entrepreneurial ability, enterprise development, economic empowerment of women, and family well-being. See figure 4.1, which shows the steps involved in the research methodology.

Figure 4.1 Showing the steps involved in the Research Methodology.



Source: Author 2018

4.2 Research Philosophy

Empirical research processes involve fundamental enquiries as to how knowledge is created. This question the acceptance of truths or whether truths are simply waiting to be discovered, or whether the truth that we perceive is socially constructed. The above considerations constitute sets of ontological and epistemological issues in research.

Ontology is concerned with the nature of reality that relates to the study of being (Crotty, 1998), which is deemed as accepting knowledge in a certain domain.

On the other hand, epistemology is the nature that forms the knowledge and how realities are communicated to society (Cohen *et al.*, 2011:6) that relates to recognition and reduction of biases. The concepts of ontology and epistemology relate to how we accept realities as valid knowledge. In research, it is important to underpin the research philosophies. The procedure of accepting reality or knowledge cannot be proven or disproven in an empirical manner or guided by right or wrong sets of approach (Scotland, 2012: 9). However, Guba and Lincoln (1994) argue that researchers need to clarify their ontological and epistemological assumptions before carrying out any research study. The philosophical clarifications ensure that methodological approaches are consistent with the objectives of the research and are understood, with any methodological biases dealt with in a timely manner (Remenyi, 1998).

Some researchers have shown an increased interest in the various definitions of research methodology. Creswell (2003) defines research methodology as the process used in conducting research. Creswell's definition is similar to the explanations of Wagner (1997), Remenyi and Williams (1995) who define methodology as the process, principle, and procedure that researchers use to deal with problems and to seek solutions. Furthermore, Crotty (1998) describes research methodology as a strategy, plan of action, processor, or design lying behind the choice and the use of a particular method to achieve the desired outcomes.

The process of research methodology involves a typical pattern or paradigms. Creswell (2003) refers to paradigms as the universally recognised scientific abilities that provide model problems and solutions to the research questions. The positivist paradigm advocates the use of quantitative methodology in the process of research. The scientific philosophy has its roots in realism (Collis and Hussey, 2009: 55). The paradigms of positivism explain relationship by identifying the causes that influence outcomes (Scotland, 2012). According to Walliman (2005:16) knowledge, is derived from positive information as every rational, justifiable assertion can be scientifically verified or is capable of a logical or a mathematical proof. Therefore, the positivist determines the social reality through observations and experiments to develop a theory. Alternatively, the deductive approach is used in positivism as deduction is based on scientific principles that start with a theory or hypothesis formulation, then the operationalisation of the concepts in the theory and the collection of quantitative data. The derived theory is tested in a quantifiable manner by applying different statistical tools and mathematical formulas criteria for an acceptance or a rejection validation. The deductive approach helps to find out causal relationships and often requires a large sample to generalise the results (Saunders *et al.*, 2009). However, critics of positivism argue that society cannot be separated from its social context because researchers are part of the people being observed (Collis and Hussey, 2009). The application of positivism in social science research has been used extensively. The positivist demonstrates the use of scientific methods approach only to understand the investigation without interference by the researcher. This eliminates the researchers influence. Therefore, the study will include important universal rules and laws that support and explain the event (Alharahsheh and Pius, 2020).

Positivism ideology is influenced by natural science that involves the testing of hypotheses using existing theories through the measurement of observable social realities (Smith *et al.*, 2009). Creswell and Plano Clark (2007) agree that the deductive researcher works flows from the top to down that is in sequences from a theory to hypothesis, to data gathering, and to both add to or contradict a theory.

Criticism of the positivist paradigm argue that it tends to ignore the human side of the study, which is relevant to human understanding (Crossan, 2014). As the nature of humans are not static objects but are living beings that are subjected to the forces of human interactions, attitude, perceptions, and feelings (Crossan, 2014). A few critics of the positivist paradigm argue that the approach offer a narrow narrative of the phenomena under study, though produces valuable insights (Crossan, 2014). According to Saunders *et al.*, (2003), studies should not merely restrict the involvement of human beings owing to pure sciences due to the interaction of the social world. In addition, positivism will be challenging due to the difficulty in taking all variables that may affect findings into consideration (Scotland, 2012).

The interpretivist paradigm uses narrative, documentary, and observational data and employs observation, interview, case study, ethnography, and phenomenology to understand a system (Bell, 1999; Bryman, 1984; Bryman, 1998; Holstein and Gubrium, 1995; Huysamen, 1997; Mingers, 2001). Therefore, interpretivism is based on relativism that is subjective to each individual perception (Scotland, 2012). However, Silverman (2001) observes that interpretivism is a way of gathering an authentic understanding of people's experience, which individuals give to their environment (May, 2001). According to Cohen *et al.* (2011), social worlds are viewed from respective individual participants. Additionally, interpretive paradigms accept ideologies without questioning (Scotland, 2012). The interpretive paradigm is appropriate when individual opinion and perception is considered. However, the use of the interpretive paradigm might not be capable in generalising results due to the inductive approach.

Critics are of the view that outcomes of the study under the interpretivist paradigm are difficult to replicate (Denzin and Lincoln, 2003). Therefore, due to the circumstances of the social world interactions, studies conducted under the interpretivist paradigm will fail the test of time, thereby making the replication of such outcome impossible (Smith *et al.*, 2009).

From the above discussions, the philosophies of positivism and interpretivism are two extreme ways of understanding the social world. The choice of one paradigm over the other is challenging, as society is not explicitly polarised. A few researchers devised the continuum of paradigms to overcome these difficulties (Collis and Hussey, 2009; Tesch, 1990). Curran and Blackburn (2001) in an attempt to choose a midpoint of extreme paradigm positions, suggest the use of pragmatism. The pragmatists choose paradigms based on their usefulness for answering research questions (Collis and Hussey, 2009). According to Creswell (2003), the pragmatic paradigm embraces methods that are appropriate and in harmony with the value systems held by the researcher. The researcher, therefore, adopted a pragmatic design to overcome the deficiencies of relying solely on either a positivist or interpretivist approach.

The adoption of mixed methods for the study is to ensure that the quantitative and qualitative methods provide reliability checks on each other. Therefore, the quantitative findings interpreted relatively with the qualitative findings enhances the reliability and understanding in a certain context. In addition, the use of qualitative methods will help in follow-up checks to obtain feedback on the unexplained observed outcomes. Holloway (1997) observes that interpretivism is important in the research process as human beings' experiences should be understood within context, as no one exists in a vacuum. Therefore, values and interest are social constructs that become part of the research process. Interpretivism employs qualitative methods in the collection and analysis of data. The use of both induction and deduction approaches are considered necessary for undertaking this study on the role of microfinance to empower women and promote entrepreneurship. However, the adoption of mixed methods is expensive in terms of time, talent, and resources. Rao and Woolcock, (2003) argue that the lack of a comprehensive body of knowledge on how different methods can be mixed and employed, is a constraint in the use of the mixed methods approach.

The discussions on the cultural, social, and religious factors impact the institutions, country, and people. For example, some women in SSA face cultural or religious barriers that often restrict them, making it difficult to access financial services. According to Nagaveena and Bhojanna (2022), social, cultural, and economic influences are contextual and impact the entrepreneurial abilities and growth of women entrepreneurs. Furthermore, a number of studies have found that MFIs practices in developing countries are culture-sensitive, and are based on religion, fatalism, and ethnicity (Kanungo and Mendonca, 1996; Gyapong and Afrifa, 2021).

The distinct experiences of women in developing countries are therefore different from those in developed countries. For example, the notion of family includes extended relations as well as people of common ancestry. The concept creates additional challenges for women who wish to manage their businesses. The sociocultural or religious context is found in many developing countries (Jaim, 2021).

Another instance is the widely accepted norm that women are not responsible for contributing to family income which could lead to a lack of motivation in running a business. The context could play a crucial role in women's business activities. As the microcredit received could be channelled to their husbands needs instead of growing their businesses.

The qualitative research method enhances the understanding of the cultural, social, religious, and institutional context. It is important to note that these factors were not observed directly. However, they are connected to economic realities and decision-making, and we cannot separate most women in a developing country from them. Therefore, the cultural, social, and religious factors mentioned in the thesis are indirectly taken into consideration in the research.

In addition, the purposive sampling method was employed to determine the sampling strategies that help to identify some of the important social, religious, and cultural characteristics of different groups which could not be obtained from the kinds of statistical sources normally used in sample selection in quantitative research.

The cultural influence in these developing countries allows the researcher to capture the constructs and the research questions similar to other researchers in the field. The debate and discussion were reinforced with literature. Also, in most communities, it is inappropriate for the researcher, a man, to be alone in a room with married women (most service users were married) even for an interview. When convenient and appropriate, interviews were held in the open unless the service users insisted that it was alright to conduct the interview indoors. It was always with an uneasy heart when the researcher interviewed women in enclosed places.

However, cultural factors can influence this interaction process. For example, in the area of study, it is considered rude to refuse to answer a question, especially when there is unequal power relation between the interviewer and the interviewee. The researcher, therefore, relied on cues from the respondent to assess when service users felt uncomfortable in responding to some questions. If respondents hesitated in answering any question it alerted the interviewer who then further probed if the respondent did not really mind answering the question. Since it is quite difficult to ascertain what information will be derived from a qualitative interview, the researcher after the interview ascertained whether the respondent was willing to permit the information collected to be used in the study.

The operation of MFIs and the relationship with the female borrowers are largely influenced by social and cultural context. Interpretivism paradigm assumes that reality is subjective and can differ considering different individuals(Alharahsheh and Pius, 2020). On the other hand, positivism paradigm relates facts obtained from the MFIs without being influenced by interpretation of bias of researcher (Scotland, 2012; Saunders *et al.*, 2012). The philosophical significance of the study adopted by the researcher is based on the cultural beliefs that involves social interactions of the diverse female beneficiaries. The researcher understands the multiple contexts of interaction in a developing economy. The selection of the study area and the impact of microcredit in alleviating poverty amongst women underpins the paradigms consideration of the thesis. Therefore, both quantitative and qualitative data and the socio-cultural philosophy provides valuable insights into the relationship between MFIs and the service user and strengthens the data validity.

4.2.1 Research Methods

Research methods are the explicit techniques and procedures used to collect and analyse data (Crotty, 1998). The qualitative and quantitative research methods use different approaches for data collection and analysis (Saunders *et al.*, 2009).

Qualitative research methods collect data that expresses information about feelings, values, and attitudes. Furthermore, the qualitative research method is associated with interpretivism and the inductive approach of research. In addition, the qualitative research method uses descriptive and subjective words for the detailed analysis of data. However, the results from qualitative research could be difficult to generalise due to its focus on the understanding of behaviours and the way the research relates to specific aspects of society (Bryman and Bell, 2011). The qualitative research methods try to show the real-world experiences towards understanding reality. The access and collection of detailed interviews might lead to difficulty in handling large samples, low reliability, and high validity findings (Collis and Hussey, 2009). However, the following researchers used the qualitative research methods for their study relating to microfinance (Brett, 2006; Emeni, 2008; Mawa, 2008; Zapalska, *et al.*, 2007).

4.2.2 Quantitative Method

The quantitative research is embedded into the positivist and objectivist ideology, which include numbers and statistics. The quantitative research methods employ statistics to construct meanings on investigations and use numerical data for analysis (Sarantakos, 2005).

In quantitative research, the phenomena under investigation are independent and researchers have limited involvement. This make replication and generalisation easy (Bryman and Bell, 2009) and the data are essentially used to evaluate reality (Williams, 2007).

The investigation uses the surveys and the experimental research, which influences the ontological, philosophical assumptions and research approach. Additionally, the surveys and experimental research often contribute or refute theories under investigations (Leedy and Ormrod, 2001).

The study adopted more than one research method for this investigation. The process was continuous and moved from the design stage through to the statistical analysis. The qualitative and quantitative method have been used to answer the identified research questions. However, studies on the impact of microfinance programmes in the SSA and developed economies have gradually moved away from single approach to multiple approaches (Hulme and Mosley, 1996). Researchers are critical on the use of adopted research methods. For example, the methods used in most microfinance evaluations have been criticised on grounds of methodology, because of selection bias and the probability of overestimation (Chemin, 2008; Roodman and Morduch,2009; Pitt and Khandker's, 1998; Goldberg, 2005).

There are several types of quantitative research methods that include experimental research, survey, and cross-sectional studies (Collis and Hussey, 2009). The experimental research is similar to natural science study intended to find a causal relationship between variables (Saunders *et al.*, 2009). Survey research uses the deductive approach of collecting primary or secondary data, analysing it statistically and generalising the results. Cross-sectional studies are used to research the problem over the same period (Collis and Hussey, 2009).

In contrast to qualitative methods, quantitative research methods employ quantitative, theoretical, methodological principles, techniques, and statistics in the collection and analysis of data (David and Sutton, 2004). The quantitative research methods often enable the use of large samples and allow results to be generalised from the sample of the population (Collis and Hussey, 2009; Creswell, 2003, 2009).

In this study, the use of quantitative research methods could help to establish precise data, for example, retention rate, profitability, and microcredit characteristics. However, the result may be low in validity and measuring operators' responses to policies may be challenging (Collis and Hussey, 2009). The following researchers Chemin (2008); Chowdhury *et al.*, (2005); Coleman, (1999, 2006); Khandker, (2005); Khandker *et al.*, (2008); Pitt and Khandker, (1998) and Pitt *et al.*, (2006) used quantitative research methods in their studies on microfinance.

4.2.3 Qualitative Methods

The qualitative technique has been used by sociologists and anthropologists for inquiry since the early 20th century. The use of qualitative techniques is well documented in literature as the most typically used approach (Lincoln and Guba, 1985).

The qualitative research approach seeks to understand the individual's constructs and how these individuals view the world around them. The qualitative approach uses various information collection and analysis methods with some theoretical frameworks for deeper insights into the study. This widens the experiences of the participants and most of the time, they are context-specific (Bryman, 2009). Therefore, the qualitative method attempts to capture extensive understandings of the social world that is being examined.

The use of qualitative research is synonymously and associated with the interpretivism paradigm. In addition, it is equally to comprehend why people make the options that they associate with. The researchers and participants are the main aspects of the study and cannot be separated from the phenomena being investigated (Bryman and Bell, 2007).

To accomplish the desired goals of the research study the use of qualitative research study is embraced with a large variety of approaches. A few of these consist of grounded theory, ethnography, case study, and conversation analysis.

The study qualitative inquiry focussed on an extensive examination on real-life scenarios, the opinion, and understandings of the individuals, generate theories, cultural elements of individuals' lives and actions (Creswell and Clark, 2007).

4.2.4 Mixed Methods

The research philosophy and methodology play a significant role in the choice of research methods. The current study is post positivism that adopts the midpoint between positivism and interpretivism. Therefore, both qualitative and quantitative research approaches were used. The use of post positivism improves the analytic possibilities of the study. Furthermore, the mixed methods research enhances the richness of the data by using one research method to develop and elaborate with another. Human experience is considered a process of the interpretation of realities rather than a sensory perception of external phenomena. According to Kiessling and Harvey (2005), the mixed methods research attempts to define the problem and reflects external reality that is situational and culturally specific, with explanations that might lead to desired outcomes. Davis and Baulch's (2011) study of the poverty dynamics in rural Bangladesh agreed that the use of mixed methods research could improve the reliability of poverty dynamics research. This assumption was derived from the integrated mixed methods approach which showed that neither qualitative nor quantitative approaches alone could meet the difficult challenges of understanding and explaining Bangladesh' poverty dynamics. However, Davis and Baulch (2011), Dzisi and Obeng (2013), and Haile *et al.*, (2012) advocate the use of mixed methods research in carrying out studies related to poverty reduction.

The recent review of the literature revealed that there is no adequate body of already-collected data bank, which could support the researcher in answering all the related research questions satisfactorily. Therefore, in this study, the quantitative research approach was used to collect evidence on microfinance's female participants. Then, the qualitative research approach was employed to further investigate the constructs of social and cultural realities regarding both the women and the microfinance loan officers. The quantitative and qualitative data was analysed separately, however, the results was triangulated during interpretation. The triangulation of the quantitative and qualitative data collected tends to complement each other by validation of the information obtained. The concepts of entrepreneurship and empowerment also require methodological triangulation to fully understand the impact of microfinance on the multidimensional concepts shaped by cultural and social beliefs. Kabeer (1999) supports the triangulation approach as the method helps to validate the information on the measurement of women's empowerment.

The mixed method approach is increasingly getting recognition in recent times. The other aspect behind using mixed methods research is based upon the idea that both quantitative and qualitative offers the opportunity to better understand the phenomena being investigated (Charmaz, 2006). Creswell *et al.*, 2011) agree that the total research study style for an inquiry is enhanced by integrating more than one methodological approach for the research study. The argument is based on the grounds that, the strengths of one specific method can combat the weaknesses of another and therefore, lead to a more robust and complete proof than using a single approach. The overarching grounds for integrating several approaches help to answer the research study objectives (Guest *et al.*, 2012). The choice to employ the research methods mostly depended on a wide range of factors such as time restrictions, research study objectives, the available resources at the disposal of the researcher, and the target market for the research study (Olsen, 2004; Guest *et al.*, 2012). The question one may ask is, at what stage should this be included in the study. Researchers employing mixed methods techniques have diverse views concerning the stages, the timing, and the reasoning for integration (Yeasmin and Rahman, 2012; Guest *et al.*, 2012). The integration timing is a concern when quantitative and qualitative data collections are made use of analytically and sequentially together with one another. There are two integration approaches particularly, concurrent and consecutive research designs (Morse, 1991; Morgan, 1998; Creswell and Clark, 2007). The consecutive style involves an integration process where one data collection informs another. The basic idea of consecutive design is that the quantitative data collection approach can be employed which helps to design the qualitative data collection procedure. This research design assists to provide a rich and much deeper insight into the results gotten from the quantitative survey. On the other hand, in concurrent design, the research approaches are not influenced or based on each other but, they are employed at the same time throughout the analysis (Creswell *et al.*, 2011). The essence of concurrent style is to compare quantitative and qualitative data at the analysis stage with the intent of developing the results in between the information collected are inconsistent or in agreement. Rao and Woolcock, (2003), provide another method of integrating quantitative and qualitative approaches in a research study namely: iterative, parallel, and sequential designs. In the iterative research study style, the researcher goes back to the study area after initial data collection with the objective of clarifying and, attending to any distinctions or gaps by utilising another research technique. Parallel design is where the researchers associated with carrying out the research study work separately, but the findings are compared by the team at the analysis phase. On the other hand, in consecutive design, the subsequent research approach to be utilised is notified by the earlier approach in line with Creswell et al's., (2011) description of the sequential design. Hence, in multi-design methods, the data collection approaches, or analytical method should be flawlessly created and carried out, as a research design that is not carefully analysed could substantially impact on the research study outcome (Creswell *et al.*, 2011; Bryman, 2007). Therefore, the selection of an appropriate research study design will ultimately allow the researcher to resolve the research concerns and the goals of the study (Saunders *et al.*, 2007). For this study, the sequential combination technique was adopted. The researcher started with conducting a questionnaire survey for the target population and this was followed by a semi-structured interview for both the MFIs' officers, managers, and the female customers.

4.2.5 the Rationale for the Mixed Method Techniques

It is important to know that no single research study method is sufficient enough to address multidimensional elements associated with a social science research study (Yeasmin and Rahman, 2012). This includes the use of more than one research study technique for the purpose of information collection, sources, and analytical procedures.

The study focusses on the role of microfinance on women empowerment. The multi-design technique is to make it possible for the researcher to collect data in order to analyse the effect of microfinance programs on women and to examine how lending choices are made by MFIs in Nigeria. The mixed method technique is focussed on helping the researcher to empirically explore particularly the views of both the women and the MFIs operatives. In order to validate the data collected through a questionnaire survey from both the provider and the recipients', semi-structured interviews have been employed. Therefore, it is apparent that, several methods are better for this study. Particularly, questionnaires survey and semi-structured extensive interviews have actually been utilised to examine the supply-side and demand-side points of view of microfinance activities in Nigeria.

The researcher's ideological stance falls within the two main extremes of research paradigms-- positivism and interpretivism. That is, combining both qualitative and quantitative approaches for data collection and analysis. The basis for the choice of a triangulation technique is to ensure that, the weakness of one approach is offset by the strengths of the other. Ezemenari *et al.*, (1999) agree using a multi-strategy technique in microfinance impact the outcome. A qualitative approach does not only provide qualitative measures of impact assessment. It also provides the basis to gain a much deeper insight and interpretation of findings collected from quantitative techniques by clarifying concerns and underlying relationships (Ezemenari *et al.*, 1999).

The decision whether to use one or more research techniques will mostly depend on a broad range of elements consisting of, time constraints, research study objectives, the readily available resources at the disposal of the researcher, and the target population for the research study outcomes (Olsen, 2004; Guest *et al.*, 2012).

The researcher has selected Microvis Microfinance Bank Limited and Macrod Microfinance Bank Limited for the study. The purposive sampling technique was used to select the MFIs based on their outreach in all of the six geopolitical zones in Nigeria. Nigeria has estimated 582,264 active borrowers and the south-south geopolitical zone has the highest percentage (54.3%) of total MFIs (Abraham and Balogun, 2012; MFNL, 2010). The study focussed on the urban and rural areas of the Delta state and the Kaduna state to cover the women borrowers especially in the North and South-South geopolitical zones.

Permission was sought from the managers of the selected MFIs for their female borrowers and loans officers to participate in the survey. Furthermore, the purposive sampling procedure was employed to choose 405 participants from each of the two selected MFIs (810 participants) for the questionnaires from both the rural and urban loan officers of each MFI (loan officers' interviewees=18) and women clients of each MFI were interviewed during their bi-monthly meetings (women client interviewees=22). The selection of the women borrowers for the interview would have been random, but given the constraints, the choice of a non-probability sampling method was considered appropriate. The sample selection was based on women who had borrowed money from the selected MFIs; utilised the credit in their businesses and were accessible during the study period.

According to Saunders *et al.* (2012:283), a minimum sample size of 5-25 is most appropriate for semi-structured or in-depth interviews. Kabeer (2001) conducted 70 interviews and 700 questionnaires for the women's empowerment study in Bangladesh. Similarly, Haile *et al.* (2012) had an in-depth interview with 56 respondents and 142 questionnaires on married women microfinance beneficiaries in Ethiopia. Mahmood's (2013) study of microfinance in Pakistan used 384 questionnaires and conducted 64 interviews. The researcher conducted 43 in-depth interviews (women client participants=23, MFIs, loan officer participants=20) and used 305 close-ended questionnaires, which seems comparable to Haile *et al.*'s and Mahmood's studies. The procedures that enhanced effective communication during the fieldwork include e-mails, mobile phone text messages and calls, and personal contact with the respondents to explain the purpose and benefits of the study in order to maximise response.

The research design was piloted with members of Birmingham City University (BCU) academic staff and colleagues to identify ambiguity. In addition, interviews were conducted on a selected 15 microfinance borrowers and loan officers to test the applicability of the research questions. Finally, secondary data sources were collected from microfinance newsletters, annual reports, business reports, microfinance organisational websites, and from the CBN including the NBS, and the NPC to enhance the study.

The quantitative data collected from the survey was analysed, summarised, and interpreted with the aid of SPSS. The software (SPSS) helps in inferential statistics calculations, tables, graphs, and statistical testing. Similarly, NVIVO software was used to analyse the transcribed interviews and other qualitative data collected.

4.3 Sample Selection and Research Techniques

The purposive sampling technique was used to select two major MFIs based on their outreach in the Nigeria geopolitical zones. The selected MFIs: Microvis Microfinance Bank Limited and Macrod microfinance institution have specific objectives on poverty alleviation and high female participation in their microfinance programmes.

The sample for the study was not divided into distinct groups to make selection from each group. A strategy to avoid the use of quota sampling technique as there is no reason to select samples haphazardly or through self-selection methods because the women clients were contacted during their group meeting time. Therefore, the respondents were selected by using information received from the microfinance providers such as the list of the clients in each branch of the MFIs, those either living near to the branches or women likely to attend their group meeting on the visit day.

In Nigeria, most MFBs or MFIs, NGOs, and RSPs operate to provide microfinance services to financially excluded individuals. Nigeria has an estimated 1,986,032 active borrowers (MIXmarket, 2014). The EFInA (2014) survey found that 2.6 million adult Nigerians (2.8% of the adult population) have a Microfinance Bank account, of which 53.9% are male and 46.1% are female. That is 1,198,600 adult female Microfinance Bank account holders. About 63 percent of the Nigerian population lives below the poverty line of US$1.00 per day; 42 percent do not have access to safe drinking water; and 69 percent do not have access to basic sanitation (ADB, 2013: 5). According to the UNDP (2013), Nigeria is low in human development and ranked 153 out of 186 countries on the HDI that focuses on life expectancy, literacy level and per capital income. Another gender measurement indicator is the Global Gender Gap Index that accounts for gender inequality in economic and political activities, where Nigeria ranked 110 out of 135 countries (WEF, 2012).

These indicators showed the plight of women in Nigeria. In addition, female entrepreneurs face barriers in accessing credits for their businesses. According to Niethammer, *et al.* (2007) female entrepreneurs have limited access to institutional credit due to their poor knowledge of how to access formal finance and no ownership or control of land or property that could be used as collateral. Furthermore, one microfinance office serves about 164,836 clients compared to one branch serving 16,156 in Bangladesh (Audu and Achegbulu, 2011 : 225).

The women in Nigeria are poorer and less educated compared with men due to persistent gender neglect (Halkias *et al.*, 2011). Consequently, women are at the bottom of the poverty ladder (Iheduru, 2002). The Federal government in Nigeria made provision to lessen the worsening trend and established the FEAP, a microcredit scheme in 1988 (Halkias *et al.*, 2011). The programme was established to provide opportunities that could lead to economic growth and to help the poor, especially women out of poverty. This was considered appropriate because the female gender seems more likely to repay loans (Armendáriz and Morduch, 2005). Secondly, women have a greater impact on the poor as they are more likely to apply for funds to the betterment of their families and children (Croson and Buchan, 1999; Maclean, 2010). Thirdly, D'Espallier, *et al.* (2011), showed that more female clients are associated with lower portfolio-at-risk, lower write-offs, and lower credit loss provisions for MFIs. The FEAP and other similar government programmes that provide credit facilities, especially to women, failed due to inadequate planning (Iganiga, 2008; Abraham and Balogun, 2012).

4.3.1 Sample Size

The sample size is very important in carrying out the study. Israel (2012:1) reviewed the criteria for specifying a sample size and presents several strategies for determining the sample size. In this instance, the following three factors were considered. The margin of error, confidence level, and level of variability. Bartlett *et al.*, (2001:48) argues that a 5% margin is acceptable. Therefore, using the Israel, (2012) formula below, the sample size was calculated as follows.

$$n = \frac{N}{1+N(e)^2} \tag{1}$$

Where,

N= Population

n = sample size

e = Confidence level

According to EFInA (2014), Nigeria has 2,600,000 active microfinance accounts of which 53.9% are male and 46.1% are female. Therefore, 1,198,600 adult females hold a Microfinance Bank account. The sample size was calculated with Israel's (2012) formula as shown below.

$$n = \frac{1{,}198{,}600}{1 + 1{,}198{,}600\ (.05)^2}$$

$\cong$ 400

However, the researcher sent out 810 questionnaires with a 38% success rate that constitutes 305 of the target population. The sample size used for the analysis is similar to other studies on the role of microfinance such as Kabeer (2001) in Bangladesh, Haile *et al.* (2012) in Ethiopia and Mahmood's (2013) microfinance research in Pakistan.

4.3.2 Field Work, Collection of Data and Ethical Considerations

The conduct of primary observations and engaging in fieldwork are important components of data collection in both quantitative and qualitative study. The everyday life in developing countries is fraught with uncertainties and unproductive time. Leslie and Storey, (2003) found that fieldwork in developing countries, especially rural areas, involves negotiating challenging and complex situations. The process of fieldwork involves making sense of a new unfamiliar world prior to the researcher status changing from being an outsider to an adopted member in the practice environment. The researcher learnt about the social and cultural practices and their meanings through observing the participants (Chughtai and Myers, 2017).

The ethical considerations relate to moral principles, norms, or standards of behaviour that guide moral choices about our behaviour and our relationship with others (Blumberg, *et al.*, 2008). Therefore, the ethical issues in research guide how we gain access, collect data, store data, analyse data and write up the research findings in a moral and responsible manner (Saunders, *et al.*, 2012).These ethical issues are considered in exploratory research. (Hesse-Biber and Leavy, 2011). The researcher explained to the participants that the study is only for academic purposes. This information is necessary to prevent respondents from seeking financial compensation or otherwise. Furthermore, the participants were informed about how the research findings would be published including the storage and destruction of the data after a reasonable time. Thus, the interaction with participants created a greater familiarity and confidence that helped build trust and integrity (Creswell, 2009). A prior consent (informed consent form) was sought from each participant before the data collection commenced. The questionnaires and survey processes were designed in such a way that made the interviewees anonymous. Furthermore, the participants were not subjected to any embarrassment or invasion of privacy. For the purpose of this study, the researcher applied pseudonyms in carrying out the research to ensure anonymity. Holloway (1997, p. 57) suggests ways to guarantee anonymity. These include the use of pseudonyms that do not have any link with real names or research domains. Therefore, the gender, age, ethnic cluster, and names were anonymous and had no association with the data. This ensured that the reader of the report would not identify the participants in the study at any time (Holloway 1997). The ethical approval was granted by the BCU ethics committee, which guides the process and procedures of the pilot study and the subsequent fieldwork.

4.3.3 Pilot Study

The pilot study was completed prior to the full-scale research study. This ensured that the research design worked according to plan. In addition, this helped to clear up any confusion that arose during the fieldwork. It is important to address any recurring difficulties to avoid time wastage or unforeseeable challenges that could cause the repeat of the fieldwork. Amendments such as using closed questions or open questions to generate answers were addressed at an earlier stage. For example, poorly worded instructions, phrases that seems threatening, and questions not likely to get a response became apparent and were amended as they arise.

The semi-structured interview questions were piloted with local languages and in pidgin English. The two MFIs were piloted with 20 questionnaires each. Out of the total number of 40 questionnaires, 32 were fully completed and returned. Twenty-two questionnaires (69%) were received from the urban areas and ten questionnaires (31%) were collected from the rural areas. Some of the problems faced during the exercise were the unavailability of time for the female respondents during the meeting days and using pidgin or local languages to clarify the information on the questionnaires for the non-English speaking respondents. The respondents did not answer some of the questions and changes were made to elicit more responses for the final version of the questionnaire.

According to Creswell (1994), the fieldwork and pretesting helps to discover some of the certain problems related to the conversion of the designed data collection instrument into reality. Some of the inherent problems of the questionnaire became evident during pretesting and considerable changes were made. For instance, the researcher discovered that some of the questions were repetitive, and others were difficult to translate into the local language. The process enabled the researcher to become more conversant with the questions and to achieve consistency in their translation into the local language during interview.

4.3.4 Questionnaire Indicator and Validity

The questionnaires were reviewed for SPSS compliance by the BCU excellence team to ensure data code accuracy.

The researcher used the variables in the study to establish the various relationships that exist across sets of dependent variables and a selection of independent variables. Using regression analysis allows for the predictability of the relationships between the independent variable and dependent variables to offer a deeper understanding of a complex social phenomenon. The binomial regression allows the researcher to control for some variables that may have a confounding effect on the study. Therefore, the control variables in all the analyses undertaken in this study were identified depending on the nature of the analysis. However, the common control variables were age and location, among other demographic data of respondents.

The dependent, independent, and control variables are important in a study for robustness that drives the research process (Pokhariyal, 2019). Furthermore, some researchers add control variables in empirical studies to avoid missing variables, and more importantly, distinguishes dependent and independent variables from control variables (Xie et al., 2021).

The choice of the variables, the indicators and how they are measured are presented in table 4.1. Recent researchers in the area used similar variables(Mahmood et al., 2014; Bakare, 2017).

Table 4.1: Showing the Variables used in the Analyses

Variables	Indicators	Measurement of indicators
Age	Age of the women borrowers	Ordinal data
Education	Education qualifications of the women borrowers	Ordinal data
Household head	Household head in the women borrowers' house	Nominal data
Family unit	Family system in the women borrowers' house	Nominal data
Children	Number of children in the household	Ordinal data
Type of microenterprise	New or already existing business	Nominal data
Use of microcredit	Use of credit in own business or others business	Nominal data
Microfinance schemes	MFIs the women obtained their services	Nominal data
Household income	Increase in income of the household of the women borrowers after microfinance	Dichotomous data
Assets-House	Increase in purchase of land or home improvement by the women borrowers after microfinance	Dichotomous data
Assets-Agricultural land	Increase in agricultural land for farming by the women borrowers after microfinance	Dichotomous data
Assets-Others	Increase in other assets such as non-agricultural land and jewelry, of the women borrowers after microfinance	Dichotomous data
Household items	Increase in household items such as sewing machine of the women borrowers after microfinance	Dichotomous data
Necessity goods	Increase in spending on necessity goods (food items) after microfinance	Dichotomous data
Savings	Increase in personal savings by the women borrowers after microfinance	Dichotomous data

Source: Author data analysis, 2018

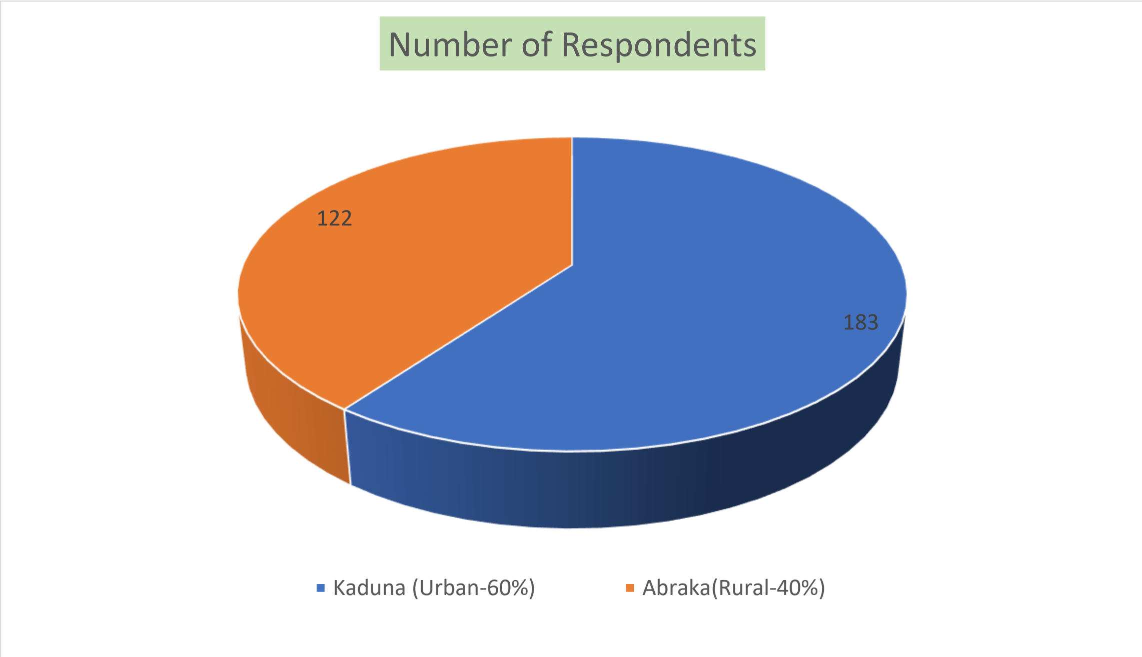
The pilot data of the respondents was coded based on the context of the questions and analysed. For instance, the age range question for 18 to 49 years was coded as 1, 50 to 59 years coded as 2 and above 60years was coded as 3. Along the same line, the Likert scale questions were coded as strongly disagree 1, disagree 2, neither disagree or agree 3, agree 4, strongly agree 5 and not applicable 6. All the multiple-choice questions were pre-coded with the appropriate response and some of the Likert scale questions were modified and coded accordingly. Following the above steps, the researcher prepared the semi-structured interview questions and the BCU excellence team reviewed them. This ensured compliance with the NVIVO data analysis format.

4.3.5 Questionnaire Administration

The researcher personally administered and completed the surveys with the aid of the Managers of the Microvis and Macrod MFBs. In each study location, the surveys covered the female participants in the geographical areas. In all, 810 questionnaires were personally sent out but, just 344 were finished and returned, out of which 305 questionnaires were used for the quantitative information analysis. The success rate was 38%.

Overall action level = Total action number/ (total sample frame-unqualified) = 305/ (400- 6) =77%. Thus, active reaction level = overall number of reactions/ (overall sample size- unqualified) = 305/ (344-6) =90%. The 305 completed surveys: surveys were distributed amongst the target population as follows; in the Kaduna and in Abraka Southern parts of Nigeria. The figure 4.2 below represents the distribution of the surveys between the Rural (R) and Urban (U) areas. The researcher administered and completed the questionnaires with the support of the officers of both MFIs.

Figure 4.2: Showing the Distribution of Questionnaires – Rural and Urban



Source: Fieldwork survey data analysis 2018

4.3.6 Data Analysis and Hypotheses Testing

The data collected was analysed quantitatively and qualitatively. The quantitative data analysis includes descriptive, inferential statistics and regression. The question variables are ordinal, nominal, and dichotomous.

The descriptive analysis focuses on frequency distribution, cross tabulation, and a bivariate analysis of the chi-square test. The Mann Whitney test, which is a nonparametric test, was used to compare groups of women in the study. The first test compares women who are entrepreneurs with others who are not. The second test compares women starting a new business and others who have an existing business. The questionnaire has five main sections and focuses on women's access to finance, entrepreneurial, enterprise, economic empowerment, and the wellbeing of the family. The relationships of the five variables were tested with regression analysis.

4.3.7 Quantitative Data Analysis

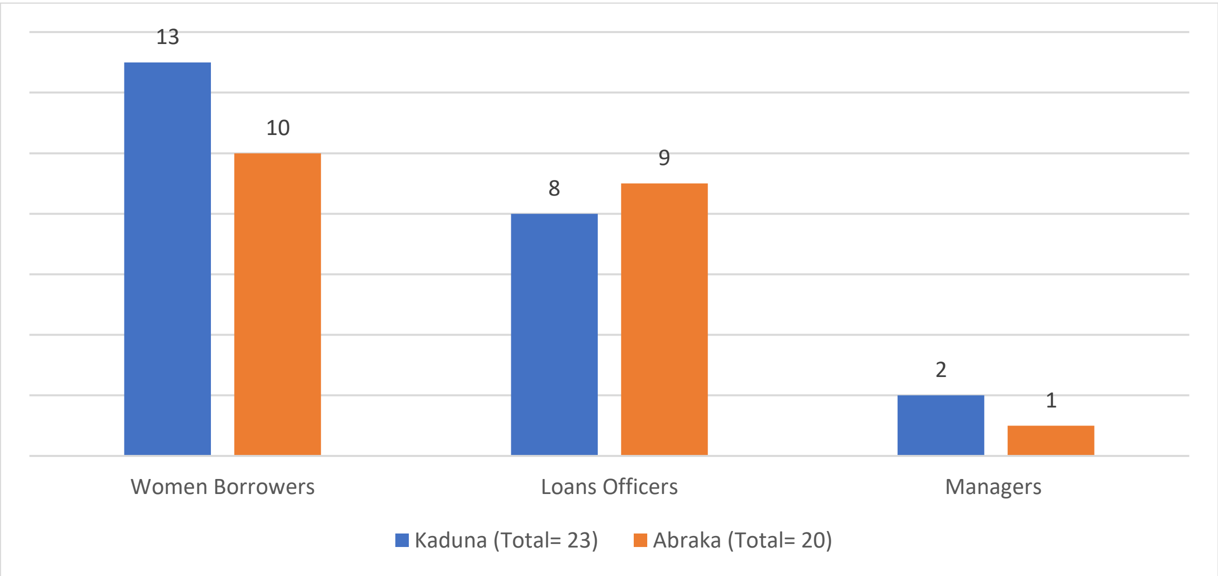
The quantitative data analysis employs cross tabulations and Chi-Square Tests in assessing the effect of the implementation process on household and business outcomes, binary logistic regression was used. The binary logistic regression enabled the control of the intervening variables. The Mann Whitney test was used to examine the differences between the groups of women. The female entrepreneurs including those with both new and existing businesses were compared and tested. In the statistical analysis, the independent variable was the microfinance institution, and the dependent variables were women’s empowerment, entrepreneurship, enterprise, access to finance and wellbeing of the family.

The categorical data was analysed using the logistic regression model. The non-linear data was transformed with a logarithm. The following three assumptions were met before the binary logistic regression was used. First, the independent variable should not be correlated, also known as multicollinearity (Field, 2013). Therefore, the log (logit) of the data will be used if the independent variable and the log transformation are not significant. Second, the variables need to avoid independence of errors. The independence of errors often creates over dispersion problems with the data. Third, the violation of the parallel line should not be significant. The study meets all of the above stated assumptions for the logistic regression model and was used for the hypothesis testing.

4.3.8 Qualitative Interviews

The researcher conducted a semi-structured interview with the women borrowers. This was followed by an extensive interview with the officers and managers of the Microvis MFB. The process was replicated with Macrod at Abraka in the Southern part of Nigeria. The study quality and robustness were greatly improved because the pilot semi-structured interviews helped to clarify and eliminate any obscurity in the interview questions. The researcher tape-recorded the interviews with the authorisation of the participants. Where the participants were unwilling in giving permission to do so, the responses to the interview concerns were tape-recorded on the interview sheet. The taped interviews were transcribed into Microsoft Word and saved on the computer. The figure (4.3) below shows the distribution of the semi-structured interviews on the participants in the rural (Abraka) and Urban (Kaduna) areas.

Figure 4.3: Showing the number of the Semi-Structured Interview Respondents



Source: Fieldwork survey data analysis 2018

4.3.9 Qualitative Data Analysis

The qualitative interviews involved interaction between the researcher and the interviewees, which was considered a situational and generative technique of collecting information. The researcher employed semi-structured interviews to answer the research questions. After conducting the semi-structured interview, the data collected was analysed using thematic coding. The coding process involves identifying the emerging themes and subthemes from the data. The subthemes of the data provided by the women service users and officers of the MFIs, helps to understand the ‘how’ question, that could not be explained by the quantitative research method. The themes and subthemes were coded until no new themes were observed.

4.4 Summary of the Chapter

The chapter reviewed the research methodology and described the process of carrying out the research including the pilot study. This helped to outline the strategies and plan of action to achieve the desired research outcomes. The quantitative data analysis includes the use of frequency distribution, cross-tabulations, and binary logistic regression. The qualitative data analysis used data collected from the semi-structured interviews which were interpreted, transcribed, organised, and incorporated into themes. The researcher established a specific research style to attain the desired objectives of the study. Therefore, a blended technique research study technique was employed in order to find out how microfinance provision impacts family wellness. The research study was performed in both the Northern and Southern parts of Nigeria.

In general, 305 microfinance women borrowers completed the questionnaire survey for the quantitative part of the research study. For the qualitative part, a semi-structured interview was conducted for the officers, managers, and some women customers who were drawn from the sample of 305 borrowers after the questionnaires were administered. For the quantitative data analysis, the SPSS with the help of regression analysis was employed to develop the role of microfinance intervention and the empowerment of women in Nigeria. The qualitative data acquired through the semi-structured interview was evaluated by employing constant comparison analysis. The adoption of this method clarified the underlying relationships established in the study.

The researcher employed mixed methods and used methodological triangulation, where the qualitative and quantitative data collection methods and analysis were carried out within a single study to achieve higher internal consistency and reliability (Dewasiri et al., 2018). This involves an integration of the quantitative results and the qualitative results to provide a rich and deeper insight into the results. Table 5.5.1 shows the outcomes of the quantitative analysis and chapter 6 provided the qualitative analysis using the grounded theory.

One of the most important benefits of using a mixed methods approach is the interpretation of findings. The quantitative findings, interpreted in conjunction with qualitative findings, enhance the understanding of the magnitude and extent to which phenomena are embedded in a certain context. The researcher triangulated the quantitative analysis and qualitative analysis to investigate and achieve answers to each research question. The qualitative and quantitative data were analysed separately but were combined to answer each research question. Therefore, in the thesis, the quantitative and qualitative data were collected separately, and the result led to a comprehensive discussion. Thus, the interpretations relating to answering the research questions incorporate both qualitative and quantitative analysis.

Chapter 5

5.0 Statistical Analysis

5.1 Introduction

This chapter focuses on the comprehensive statistical analysis of the data collected from the two MFIs' women clients, loan officers, and managers. The research approach consists of questionnaires and semi-structured interviews during the fieldwork. Prior to their implementation on the target population, the quantitative questionnaires were piloted and analysed.

The quantitative data obtained from the respondents was analysed with SPSS and NVIVO was used for the qualitative data. In order to provide diverse opinions and views, quantitative results supplemented the qualitative findings. The analysed data presents the perspectives of microfinance's impact on women's entrepreneurship, enterprise, their access to external finance, women's empowerment and family wellbeing.

The mixed method research combines both quantitative and qualitative techniques that provides counter reliability checks. In addition, the mixed methods approach is well documented and validated within published research. The discussions of the findings were critical in achieving the research objectives of the study.

The first section of the chapter discusses the descriptive analyses, which include the age, marital status, family structure, decision making within the household, level of education, savings, and loan repayments.

The second section focuses on the bivariate analysis with the following subsections, *first*: reliability, *second*: multicollinearity, *third*: Pearson's Chi-Square Test, *fourth*:

Wilcoxon-Mann-Whitney Test, *fifth*: binomial regression analysis, *sixth*: discussions, and finally, a summary of the chapter.

5.2 Descriptive Analysis

5.2.1 Client Demographic Profile

The demographic characteristics of the respondents are critical in understanding the microfinance intervention in a region where women’s empowerment is lacking and their contribution towards the Gross Domestic Product (GDP) is low in comparison to other similar countries (WEF, 2019). The demographic data was obtained from the field surveys of the Microvis MFIs based in Kaduna, Kaduna State, in the northern part of Nigeria, and Macrod MFIs based in Abraka, Delta State, in the southern part of Nigeria. The data collected includes the age, marital status, number of children, family structure, and educational level of both the women borrowers and their husbands.

In recent years, there has been an increasing amount of literature on age and cultural sensitivities, which is historical and regional specific especially in developing countries such as Nigeria where political and cultural sensitivity is prevalent. Neuberger and Rathke-Doppner's (2015) study on the ageing economies of Europe observe the importance of growth sustenance through financing the entrepreneurially active population. Furthermore, Bibi *et al.*, (2018) observe that gender has an impact on microfinance efficiency. In addition, several studies have documented empirically the influences of culture, class, and gender on both informal and formal institutions, to shape outcomes (Chappell and Waylen, 2013; Hadjicharalambous and Walsh, 2012).

Wulandari *et al.*, (2017) investigated the relationship between demographic and socioeconomic factors in Java Island, Indonesia to improve access to finance on the service users. Thus, customer demographic characteristics are an important aspect to consider when giving credits to microfinance users.

Mokhtar *et al.*, (2012) found that middle-aged borrowers had a high probability of having repayment problems in Malaysia. The lower income received by the poor could be as a result of a lack of experience in the business, which might be a reason for the issues in repaying their loans.

Mokhtar *et al.*, (2012) observe that loans granted to middle-aged graduates resulted in many unsuccessful projects and difficulties in their weekly loan repayments. Furthermore, Bichanga and Aseyo (2013) found that the majority of MFIs clients in Trans Nzoia County, Kenya have larger household sizes. However, there was no observed relationship between the household sizes and the propensity to default in their loan repayments.

The influence of the demographic factors that include age, family, and culture would achieve the third research objectives, which is critically assessing the empirical survey data obtained from rural and urban MFIs in Nigeria and to develop policy recommendations for practitioners, sponsoring organisations and respective governments.

The age data of the female respondents on the Microvis and Macrod MFIs are presented in the Table 5.2.1 below.

The majority of the respondents were between 30-39 years old, which is 82 respondents and represents 26.9%, followed by 76 respondents between 50-59 years old representing 24.9%. The third highest age category was those between 18-29 years old representing 23.6%, the fourth category was 40-49 years old representing 16.7% and the fifth and final age category was above 60 years old representing 7.9%. Most of the women were married as there are 208 respondents representing 68.2% of this category. The second highest was single, which is 56 representing 18.4%, followed by widows, 34 representing 11.1%. The divorcees or those categorised as separated numbered 7 respondents (2.3%).

The study classified the respondents as either living in an urban or rural area. There are challenges on the classification of urban and rural area. As there is no consensus definition among researchers on the designation of what is an urban or rural area. However, in developing countries, the classification is based on the deprivation or general characteristics of lack of basic social amenities such as pipe borne water, motor-able roads, and access to healthcare. Muula, (2007) argues that the classification of rural area or urban area should be based on the interest of the study. In some cases, the type of occupation, socio-cultural pattern, and the size of the market within the area under study, reflect the basis of classification. Therefore, the main economic occupation of the rural communities is agrarian activities often characterised by seasonal fluctuation as a result and they are relatively poor (Khan, 2000).

Most of the clients of Microvis MFI live in the Kaduna metropolis and those who are Macrod MFI clients, are located in Abraka in Delta state. In this study, the microfinance users with the Microvis Microfinance institution are considered as urban area and the Macrod microfinance institution users were classified as rural area. Therefore, the 183 women borrowers with the Microvis Microfinance institution, which is 60% of the sample size, are classified as urban area respondents and the remaining 122 respondents from Macrod representing 40% are rural areas.

Table 5.2.1: Showing Age and Marital Status of Respondents

			Microvis	Macrod	Total
Age	18-29 years	Count	33	39	72
		%	10.80%	12.80%	23.60%
	30- 39 years	Count	66	16	82
		%	21.60%	5.20%	26.90%
	40-49 years	Count	23	28	51
		%	7.50%	9.20%	16.70%
	50-59 years	Count	53	23	76
		%	17.40%	7.50%	24.90%
	60 years and above	Count	8	16	24
		%	2.60%	5.20%	7.90%
Marital Status	Married	Count	133	75	208
		%	43.60%	24.60%	68.20%
	Single	Count	27	29	56
		%	8.90%	9.50%	18.40%
	Divorced or Separated	Count	3	4	7
		%	1.00%	1.30%	2.30%
	Widow	Count	20	14	34
		%	6.60%	4.60%	11.10%

Source: Fieldwork survey data analysis 2018

The respondents that have no responsibility of raising children were only 60 (19.7%). Therefore, 80.3% of the women borrowers had children (Table 5.2.1). This shows the extent of vulnerability within the household as the number of children in a household would affect the use of a microfinance loan and the effectiveness of the outcomes. The raising of children is an important factor that affects the vulnerability of the family, and individual and household survival plans (Goulden *et al.*, 2013). Furthermore, the additional financial resources required to take care of the family, may affect the ability of the microfinance loan beneficiaries to achieve the desired results.

A further cross tabulation of the data showed that 118 respondents representing 38.7%, had 1 to 2 children, 33.4% had 3-4 children, 7.5% had 5-6 children, and 0.7% respondents had over 7 children. The 0.7% for the group with over seven children, compares to similar studies as women with more children struggle to combine childbearing with starting up enterprises. According to Kevane and Wydick (2001), female entrepreneurs often have fewer economic activities than men do during their childbearing years. Therefore, those respondents who have over 7 children tend to wait longer until they have passed their mid-thirties when they have little or no responsibilities of childcare to start a career. The implications of this additional waiting time for the women during the economic active age often makes them poorer comparatively to women with no children.

The number of children in a household would affect the use of the microfinance loan and the effectiveness of the outcomes. Furthermore, the additional financial resources required to take care of the family, may affect the ability of the microfinance loan beneficiaries to achieve their desired results.

Table 5.2.2: Showing the Family and number of respondents' children

			Microvis	Macrod	Total
Respondent Children	No Children	Count	36	24	60
		%	19.70%	19.70%	19.70%
	1 -2 Children	Count	82	36	118
		%	44.80%	29.50%	38.70%
	3-4 Children	Count	48	54	102
		%	26.20%	44.30%	33.40%
	5-6 Children	Count	15	8	23
		%	8.20%	6.60%	7.50%
	>7 Children	Count	2	0	2
		%	1.10%	0.00%	0.70%
Family	Monogamy	Count	116	77	193
		%	38.00%	25.20%	63.30%
	Polygyny	Count	28	16	44
		%	9.20%	5.20%	14.40%
	Others	Count	39	29	68
		%	12.80%	9.50%	22.30%

Source: Fieldwork survey data analysis 2018

In addition, 63.3% of the respondents representing 193 women described their family unit as monogamous. Table 5.2.2 showed that 44 respondents (14.4%), are in a polygyny, a family where their husbands have more than one wife. The remaining 22.3% described their family relationship as others. In African societies, having a polygamous home often provides free labour, moral support, more land ownership and confers status, prestige, and security (Wakoko, 2003).

Table 5.2.3: Showing number and percentage of Decision Making in the Family.

		Microvis	Macrod	Total
Self	Count	56	33	89
	%	18.40%	10.80%	29.20%
Husband	Count	111	41	152
	%	36.40%	13.40%	49.80%
Father/Father-in-Law	Count	4	26	30
	%	1.30%	8.50%	9.80%
Mother/ Mother-in-Law	Count	1	1	2
	%	0.30%	0.30%	0.70%
Decisions made by others	Count	11	21	32
	%	3.60%	6.90%	10.50%

Source: Fieldwork survey data analysis 2018

In some urban and rural areas, men are socially and culturally responsible for providing a livelihood to women and their children. Therefore, most husbands control the decision-making responsibilities within the family. From table 5.2.3, 29.2% of the respondents made decisions themselves, and their husbands (49.8%) are mostly responsible for the decision making within the household. The fathers or father in laws have 9.8% of the decision making within the households. The mothers or mothers in laws (0.7%) are responsible for having the least contribution to decision making within the household. Finally, others have 10.5% of the decision-making responsibilities.

There are political, cultural, and social reasons as to why some women are not allowed in household decision making. The decision making within a household plays a vital role in most developing and developed countries in successful business start-up negotiations. However, the women borrowers or those who act as loan mediators, have improved decision making ability. According to Sebstad *et al.*, (1995) the practice of expanding businesses, increase in economic activities and overseeing the control of resources, helps in household decision making. In addition, women's participation provides a basis for the diversification of household economic activities and household risk minimisation. For example, the female borrowers focus on lower risks and lower productivity activities by ensuring the welfare of their households while their spouses search for or engage in, higher risk, higher return activities.

Table 5.2.4 Showing the Respondents' and Spouses' Education levels

			Microvis	Macrod	Total
Respondent Education Level	No Qualification	Count	16	15	31
		% of Count	5.20%	4.90%	10.20%
	Primary	Count	4	24	28
		% of Count	1.30%	7.90%	9.20%
	Secondary	Count	39	13	52
		% of Count	12.80%	4.30%	17.00%
	Graduate	Count	92	65	157
		% of Count	30.20%	21.30%	51.50%
	Professional	Count	26	4	30
		% of Count	8.50%	1.30%	9.80%
	Others	Count	6	1	7
		% of Count	2.00%	0.30%	2.30%
Spouse Education	No Qualification	Count	0	8	8
		% of Count	0.00%	2.60%	2.60%
	Primary	Count	8	0	8
		% of Count	2.60%	0.00%	2.60%
	Secondary	Count	30	36	66
		% of Count	9.80%	11.80%	21.60%

	Graduate	Count	101	62	163
		% of Count	33.10%	20.30%	53.40%
	Professional	Count	27	15	42
		% of Count	8.90%	4.90%	13.80%
	Others	Count	17	1	18
		% of Count	5.60%	0.30%	5.90%

Source: Fieldwork survey data analysis 2018

From the data obtained in table 5.2.4, most of the loan beneficiaries had had a formal education as 51.5% of the respondents are graduates and the corresponding spouses who are graduates amounted to 53.4%. In addition, 10.2% of the respondents had no qualifications including 2.6% of their spouses.

In Microvis, 16 respondents had no formal education (5.2%) and for Macrod, 15 had no formal education (4.9%). This contrasts with their spouses as 0% of the Microvis respondents' spouses had no qualifications compared to Macrod where there were 8 with no qualifications (2.6%). 28 respondents had had a primary education (9.2%) and for their spouses, this amounted to 8 (2.6%). 52 respondents (17.0%) had had a secondary education and their corresponding spouses 66 (21.6%).

According to Augsburg et al (2012:17), borrowers with not more than a primary education, are more likely to start up agricultural activities and the borrowers with higher educational levels are more likely to set up an enterprise within the services sector.

From the analysis in Table 5.2.5, 266 (87.2%) of the respondents do have a form of savings. Most of the respondents, which is 218 (71.5%), save with their respective microfinance banks.

Table 5.2.5: Showing the Respondents' Savings after Microfinance

			Microvis	Macrod	Total
Savings	Yes	Count	163	103	266
		%	53.40%	33.80%	87.20%
	No	Count	20	19	39
		%	6.60%	6.20%	12.80%
Form of Savings					
Savings	With banks	Count	141	77	218
		%	46.20%	25.20%	71.50%
	Work colleagues, friends, or neighbours	Count	8	9	17
		%	2.60%	3.00%	5.60%
	Hide the money within the house	Count	10	1	11
		%	3.30%	0.30%	3.60%
	Lend the money to friends or family	Count	4	0	4
		%	1.30%	0.00%	1.30%
	Other ways	Count	0	16	16
		%	0.00%	5.20%	5.20%
	Not applicable	Count	20	19	39
		%	6.60%	6.20%	12.80%

Source: Fieldwork survey data analysis 2018

As shown in Table 5.2.5, 163 respondents (53.4%) have savings, in the urban area and 33.8% are involved in savings within the rural areas. The practices of microfinance seem to encourage savings as 87.2% of the respondents are involved in savings. The majority of the savers (71.5%) deposit their money within the microfinance banks. Only 1.3% lends the money to friends or family as a way of saving their money.

The above data shows that most of the beneficiaries save their money in the microfinance banks. This finding is consistent with the studies of Mahmood (2013) that reveal the savings attitudes of Asasa and Kashf microfinance clients in Pakistan and Salia (2015) found that the majority of the microfinance clients in Ghana had bank account.

Table 5.2.6: Summary of the Respondents' First Loan

Amount of first loan			Microvis	Macrod	Total
MFI Loan	Up to N15,000	Count	17	10	27
		% of Total	5.6%	3.3%	8.9%
	N15,001 to N25,000	Count	15	9	24
		% of Total	4.9%	3.0%	7.9%
	N25,001 to N35,000	Count	17	2	19
		% of Total	5.6%	0.7%	6.2%
	N35,001 to N45,000	Count	6	3	9
		% of Total	2.0%	1.0%	3.0%
	N45,001 to N55,000	Count	24	9	33
		% of Total	7.9%	3.0%	10.8%
	N55,001 to N100,000	Count	33	52	85
		% of Total	10.8%	17.0%	27.9%
	N100,001 and more	Count	69	8	77
		% of Total	22.6%	2.6%	25.2%
	Others	Count	2	29	31
		% of Total	0.7%	9.5%	10.2%

Source: Fieldwork survey data analysis 2018

Table 5.2.6 shows the first loans received by the respondents. This helps to determine the amount of money the women borrowers received for carrying out their initial business activities. The loans were given without collateral and varied in the amount of money disbursed (Haque and Harbin, 2009).

The amount of loan received varies, 27 (8.9%) respondents received up to N15,000, 17 (5.6%) in the urban area and 10 (3.3%) in the rural areas. Of the next group surveyed, 24 (7.9%) respondents received N15,001 to N25 000, 15 (4.9%) in the urban area and 9 (3.0%) in the rural areas.

19 (6.2%) respondents received N25,001 to N35,000, 17 (5.6%) in the urban area and 2(0.7%) in the rural areas. 9 (3.0%) respondents received N35,001 to N45,000, 6 (2.0%) in the urban area and 3 (1.0%) in the rural areas.

33 (10.8%) respondents received N45,001 to N55,000, 24 (7.9%) in the urban area and 9 (3.0%) in the rural areas. 85 (27.9%) respondents received N55,001 to N100,000, 33 (10.8%) in the urban area and 52 (17.0%) in the rural areas. Additionally, 77 (25.2%) respondents received over N100,000, 69 (22.6%) in the urban area and 8 (2.6%) in the rural areas. However, 31 (10.2%) respondents, 2 (0.7%) in the urban area and 29 (9.5%) in the rural area did not respond to the question.

Table 5.2.7: Showing the details of the Respondents on Loan Repayment

			Microvis	**Macrod**	**Total**
Repayment	Self	Count	147	87	234
		%	48.2%	28.5%	76.7%
	Husband	Count	16	11	27
		%	5.2%	3.6%	8.9%
	Family head	Count	5	7	12

		%	1.6%	2.3%	3.9%
	Me and my husband	Count	15	1	16
		%	4.9%	0.3%	5.2%
	Others	Count	0	16	16
		%	0.0%	5.2%	5.2%

Source: Fieldwork survey data analysis 2018

The female borrowers are mostly involved in repaying the loans themselves. 76.7% of the respondents pay the credits themselves as against 3.9% who depend on their family heads to help them repay the loans (Table 5.7). The spouses are also involved in loan repayments as 5.2% of the Microvis respondents compared to Macrod, 3.6%, helped in the loan repayments. This is consistent with the findings of Dzisi and Obeng, (2013) and D'Espallier *et al.*, (2009). The qualitative data analysis also showed that women were targeted by the microfinance banks because they are perceived to be consistent in their loan repayments. The distributions show that 147 (48.2%) surveyed in the urban areas repay their loans and 87 (28.5%) in the rural area. No participant in the urban areas received help from others in loan repayment (0%) as against 16(5.2%) in the rural areas. The poor community, where help is available from others that is practiced in most rural areas in Nigeria could help to explain this finding.

5.2.2 Demographic Profile of Women in Face-to-Face Interviews

The demographic data on the women borrowers was obtained from the fieldwork on the Microvis MFIs based in Kaduna, Kaduna State, the northern part of Nigeria and the Macrod MFIs based in Abraka, Delta State, in the southern part of Nigeria. The demographic data collected relates to age, gender, marital status, educational qualification, and work experience with MFI.

Table 5.2.8: Showing the Microfinance Borrowers' Profile

Data item	**Clients Location**		**Total**
	Kaduna (MFI)	**Abraka (MFI)**	
Age			
Below 25	0(0%)	0(0%)	0(0%)
26 – 35	3(23%)	1(10%)	4(17%)
36 – 45	4 (31%)	4(40%)	8(35%)
46 – 55	2 (15%)	1(10%)	3(13%)
56 – 59	3(23%)	2(20%)	5(22%)
Above 60	1(8%)	2(20%)	3(13%)
	13(100%)	**10(100%)**	**23(100%)**
Marital Status			
Single	4(31%)	1(10%)	5(22%)
Married	7(54%)	6(60%)	13(57%)
Divorced	2(15%)	2(20%)	4(17%)
Widow/Widower	0(0%)	1(10%)	1(4%)

	13(100%)	**10(100%)**	**23(100%)**
Educational Qualification			
Primary	0(0%)	0(0%)	0(0%)
Secondary	7(54%)	7(70%)	14(61%)
Graduate	5(38%)	2(20%)	7(30%)
Others	1(8%)	1(10%)	2(9%)
	13(100%)	**10(100%)**	**23(100%)**
Experience with MFI			
Below 2 years	5(38%)	2(20%)	7(30%)
3-4 years	7(54%)	7(70%)	14(61%)
5-8 years	1(8%)	1(10%)	2(9%)
Above 8 years	0(0%)	0(0%)	0(0%)
	13(100%)	**10(100%)**	**23(100%)**

Source: Fieldwork survey data analysis 2018

Of the 23 respondents surveyed by means of face-to-face interview, none of the respondents were below 25 years old representing 0% of the total respondents. Furthermore, 4 (17%) of the respondents were found to be between the age of twenty-six to thirty-five years.3 (23%) of the respondents are in the urban area and 1 (10%) are located in the rural area. The distributions of the interview data analysis further show that, in the urban area, 4 (31%) of the respondents were in the age bracket of thirty-six to forty-five years and 4 (15%) are in the rural area representing 35% of the total respondents.

The forty-six to fifty-five age category has 2 (15%) in the urban area and 1 (10%) in the rural area representing 13% of the total respondents. The fifty-six to fifty-nine age category has 3 (23%) in the urban area and 2 (20%) in the rural area representing 22% of the total respondents. The above 60 age category has 1 (8%) in the urban area and 2 (20%) are in the rural area representing 13% of the total respondents.

Out of the twenty-three respondents for the survey, 4 (31%) were single in the urban area, 1 (10%) were single in the rural area which represents 5 (22%) of the marital status interviewees. 7 (54%) are married in the Kaduna location and 6 (60%) are married in the Abraka location which shows as 13 (57%) of the total respondents. The divorced category has 2 (15%) in the urban area and 2 (20%) in the rural area representing 4 (17%) of the category and only 1 widow in the rural area 1(10%) representing 1 (4%) of the total respondents.

The educational qualification distribution of the respondents shows that they were all above primary education certificate level. The distributions of the interview data analysis further show that in the urban area, 7 (54%) of the respondents have secondary school education and 7 (70%) are in the rural area representing 61% of the total respondents. 5 (38%) of the respondents are graduates and 2 (20%) are in the rural area representing 30% of the total respondents.1 (8%) respondent has a lower level qualifications such Nigeria Certificate In Education (NCE) and Ordinary National Diploma (OND) in the urban area and 1 (10%) in the rural area representing 2 (9%) of the respondents.

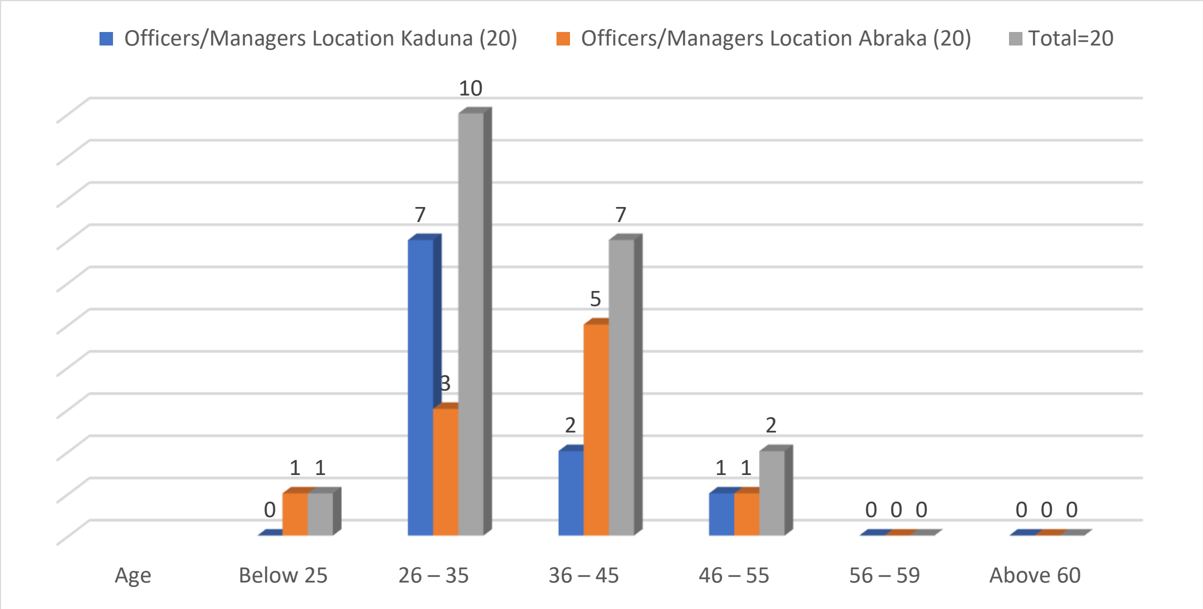
The time the customers are with their MFIs is essential in improving the benefits of the service. The number of years of the women borrowers selected for the survey are below 2 years 5 (38%) in urban area and 2 (20%) in the rural area representing 30% of the total interviewees.

In the 3 to 4 years category, 7 (54%) were in the urban area and 7 (70%) in the rural area representing 14 (61%) of the total respondents. Furthermore, in the 5 to 8 years category, 1 (8%) are in the urban category and 1 (10%) are in the rural area representing 2 (9%) of the total respondents. However, none of the respondents in both the rural area and urban areas have above 8 years' experience with the MFIs.

5.2.3 Loan Officers and Managers Demographic Profile

The demographic data on the loan officers was obtained from the field surveys of Microvis MFIs based in Kaduna, Kaduna State, the northern part of Nigeria and the Macrod MFIs based in Abraka, Delta State, in the southern part of Nigeria. The demographic data collected are the age, gender, marital status, educational qualification, and work experience with MFI.

Figure 5.1: Showing the number of Microfinance Loan Officer and Manager Respondents.



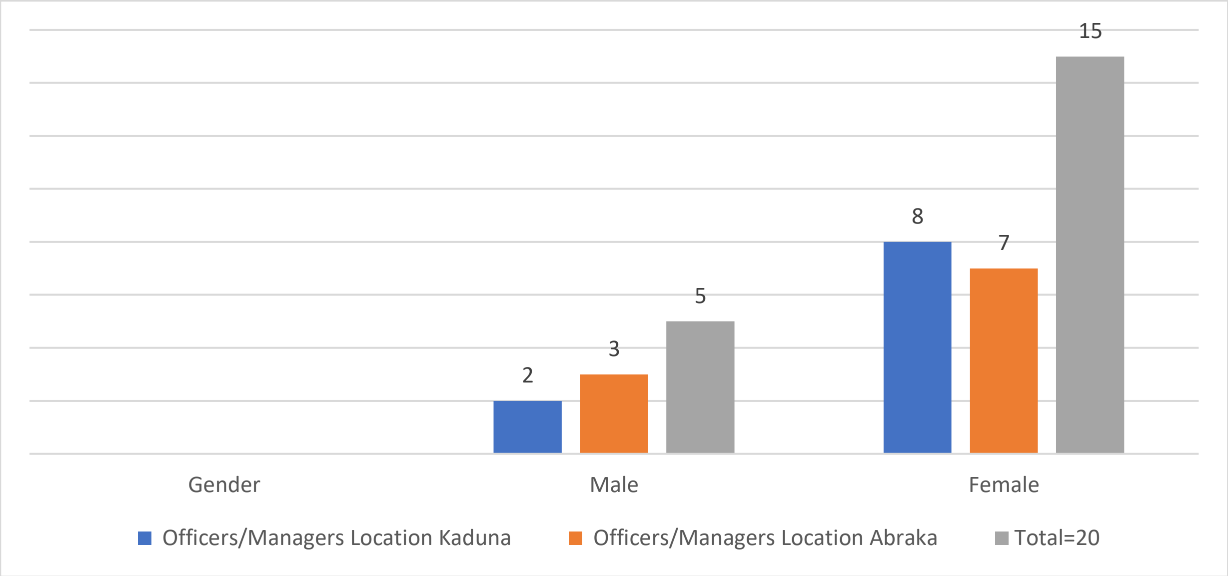
Source: Fieldwork survey data analysis 2018

Figure 5.1 shows the profile of the loan officers for the study. Of the 20 respondents surveyed by means of interview, 1 respondent was below 25 years old representing 5% of the total respondents. The respondent location is rural, which is 10% of the respondents.

Furthermore, 10 (50%) of the respondents were found to be between the age of twenty-six to thirty-five years.7 (70%) of the respondents are in the urban area and 3 (30%) are located in the rural area. The distributions of the interview data analysis further show that, in the urban area, 2 (20%) of the respondents were in the age brackets of thirty-six to forty-five years and 5 (50%) are in the rural area representing 35% of the total respondents.

The forty-six to fifty-five age category has 1 (10%) in the urban area and 1 (10%) in the rural area representing 2 (10%) of the age category. One loan manager each was interviewed in the locations.

Figure 5.2: Showing the Gender of the Microfinance Loan Officers and Managers



Source: Fieldwork survey data analysis 2018

The figure 5.2 shows the gender distribution of the respondents shows that 2 (20%) of males were in the urban area and 3 (30%) were in the rural area representing 5 (25%) of the total respondents. 8 (80%) of female respondents were in the urban area and 7 (70%) were located in the rural area representing 15 (75%) of the total respondents. The positive 1 to 3 ratio for the female gender, could be as a result of the gender effect on the number of women clients employed by the MFIs (Constantinidis *et al.*, 2006).

The table 5.2.9 below shows the Microfinance Loan Officers and Managers Profile. Out of the twenty respondents for the survey, 6 (60%) were single in the urban area, which represents 6 (30%) of the interviewees. 3 (30%) are married in the Kaduna location and 8 (80%) are married in the Abraka location which shows 11 (55%) of the total respondents. In the divorced category there was 1 (10%) in the urban area and 1 (10%) in the rural area representing 2 (10%) of the category and only 1 widow in the rural area 1 (10%) representing 1 (5%) of the total respondents.

The educational qualification distribution of the respondents shows 8 (80%) of the urban location are graduates compared to 6 (60%) in the rural location representing 14 (70%) of the total interviewees. 2 (20%) respondents have other lower level qualifications such NCE and OND in the urban area and 4 (40%) in the rural area representing 6 (30%) of the respondents.

The level of experience working in the microfinance sector is essential in delivering a quality service. The level of experience selected for the survey was not less than 3 years, this is consistent with (Bakare, 2017; Salia, 2015) study in the SSA.

In the 3 to 5 years category, 6 (60%) were in the urban area and 5 (50%) in the rural area representing 11 (55%) on the level of work experience with the microfinance sector. Furthermore, in the 6 to 9 years category, 4 (40%) are in the urban category and 4 (40%) are in the rural area representing 8 (40%) of the respondents. However, only 1 respondent in the rural area has more than ten years' experience, which represents 1 (5%) of the interviewees.

Table 5.2.9: Showing the Microfinance Loan Officers and Managers Profile

Data item	**Officers/Managers Location**		**Total**
	Kaduna (MFI)	**Abraka (MFI)**	
Marital Status			
Single	6(60%)	0	6(30%)
Married	3(30%)	8(80%)	11(55%)
Divorced	1(10%)	1(10%)	2(10%)

Widow/Widower	0(0%)	1(10%)	1(5%)
	10(100%)	**10(100%)**	**20(100%)**
Educational Qualification			
Primary	0(0%)	0(0%)	0(0%)
Secondary	0(0%)	0(0%)	0(0%)
Graduate	8(80%)	6(60%)	14(70%)
Others	2(20%)	4(40%)	6(30%)
	10(100%)	**10(100%)**	**20(100%)**
Working Experience with MFI			
3 – 5	6(60%)	5(50%)	11(55%)
6 – 9	4(40%)	4(40%)	8(40%)
10 – 15	0(0%)	1(10%)	1(5%)
Above 16	0(0%)	0(0%)	0(0%)
	10(100%)	**10(100%)**	**20(100%)**

Source: Fieldwork survey data analysis 2018

5. 2.4 Guarantee provided for the loan received

99 Respondents were already saving before approaching the microfinance institution for credits. The ability of the female borrowers to become clients depends on the microfinance institutional lending policy.

Table 5.2.10 shows the conditions of the respondents under which the loans were provided. Only 1 (.3%) of the female borrowers surveyed, provided physical collateral before accessing a loan. Out of 305 of the female borrowers, 194 of the respondents, representing 63.9%, got their loans under a group guarantee.

10 respondents representing 36.1 %, indicated that, they were asked by the loan officers to open a savings account with the MFI in order to progress with the loan applications. It is evident that credits are offered through group collateral and through compulsory savings which help the women to receive benefits from the MFIs. These findings are consistent with Fatawu's (2017) study amongst farmers who received loans in Ghana and Samia's (2015) study in Pakistan.

Table 5.2.10 Showing the Guarantee Provided for the Loan Received.

Types	Frequency	Percent (%)	Valid Percent	Cumulative
Physical Collateral	1	0.3%	0.3%	0.3%
Group Guarantee	194	63.6%	63.6%	63.9%
Compulsory	110	36.1%	36.1%	100.0%
Total	305	100%	100%	

Source: Author, 2018.

Table 5.2.11 Showing the Benefits after receiving the Microfinance Loans

		Before Microfinance				After Microfinance			
		Microvis	Macrod	Total		Microvis	Macrod	Total	% Increase
Savings	Yes	67	32	99	Yes	163	103	266	63%
Bank account	Yes	34	25	59	Yes	158	103	261	77%
Homeowner	Yes	9	16	25	Yes	20	23	43	42%
Other Assets	Yes	57	34	91	Yes	103	36	139	35%

Source: Author, 2018.

5.2.5 Borrowers Benefit after Microfinance loans

The users of microfinance loans benefitted after loans services received regarding their savings, bank accounts, homeownership, and other assets (Table 5.2.11). 67 respondents in Microvis and the 32 in Macrod had savings before taking out microfinance loans, which increased by 63% after the microfinance facility. The female borrowers saved money informally with friends or neighbours in their area or were encouraged to save in bank saving schemes with microcredit for saving money. The 42% of the respondents reported an increase in homeownership, which was 9 respondents in Microvis, 16 in Macrod a total of 25 prior to taking microfinance loans that increased to 20 respondents in Microvis and 23 in Macrod a total of 43. The lack of home ownership of most women often contributes to loan refusal by the commercial banks due to a lack of assets for collateral.

Most of the borrowers had not grown their business, which could improve the chances of increase in income, savings, and other assets. These could in turn be used as bank collateral for accessing finance from commercial banks for growing the businesses into medium scale enterprises. Lack of collateral is a major issue for the women borrowers in accessing credits from commercial banks.

The users of the microfinance loans acquired other assets: items such as TVs, radio sets, computers, sewing machines or wheelbarrows after the microfinance services. The 57 respondents in Microvis, and the 34 in Macrod had other assets before taking microfinance loans, which increased by 35% after the microfinance facility to 103 respondents in Microvis and 36 in Macrod.

From the discussion, it could be concluded that a microfinance loan supports the borrowers in increasing their income, that increases their savings and their spending on other assets which is vital to their businesses. In addition, the increase in income leads to more savings and other spending in the enterprise instead of money being used for only food consumption purposes.

However, the results of an increase in other assets after a microfinance facility, are not very encouraging and this in turn will not support further access to finance from the commercial banks, especially in rural areas.

Table 5.2.12 Showing the Types of Businesses owned by the Female Borrowers.

		Microvis	Macrod	Total
Manufacturing	Yes	11	7	18
	MFI %	6.0%	5.7%	
	% of Total	3.6%	2.3%	5.9%
Services	Yes	45	50	95
	MFI %	24.6%	41.0%	
	% of Total	14.8%	16.4%	31.2%
Trading	Yes	126	47	173
	MFI %	68.9%	38.5%	
	% of Total	41.3%	15.4%	56.7%
Others	Yes	1	18	19
	MFI %	0.5%	14.8%	
	% of Total	0.3%	5.9%	6.2%
Total	Count	183	122	305
	% of Total	60.0%	40.0%	100.0%

Source: Author, 2018.

From the above Table 5. 2.12, we can see that 5.9% of the respondents are engaged in manufacturing businesses such as making shoes, curtains, readymade garments, clothes with embroidery and bed sheets with 3.6% of the respondents being in the urban area and 2.3% in the rural area. Most of the products are made with the help of tools or a machine in the respondent’s house or street hawkers that moves from house to house in the streets within the neighborhoods.

5.2.6 Microfinance effect on Family Wellbeing and the Welfare.

The respondents involved in the services businesses are 31.2% with 14.8% in the urban area and 16.4% in the rural area. The women in the services are involved in businesses such as barbing salons, beauty salons, private schools, cooking for parties, organising parties and events management for clients.

The largest number of respondents 56.7%, with 41.3% in the urban area and 15.4% in the rural area, are engaged in trading businesses such as selling goods from door-to-door, in a shop or through their personal contacts, purchasing goods such as kerosene and reselling.

6.2% of the respondents are engaged in other businesses like poultry with 0.3% in the urban area and 5.9% in the rural area.

Table 5.3 focuses on the impact of microfinance on support for family welfare and the wellbeing of the respondents. the variables considered are an increase in personal formal education, an increase in the formal education of children, an increase in nutrition and health, an increase in the nutrition and health of the family, increased support from other family members, a decrease in family conflicts and increased encouragement from spouse to participate in activities for self-benefit.

The response shows that more than half of the respondents either agreed or strongly agreed that they had experienced an increase in all of the indicators after receiving loans from the MFIs. The findings from this study are consistent with other researchers in the field such as Mahmood (2013) who investigated the impact of Asasa and Kashf microfinance services on the wellbeing of their clients and their families and Bakare (2018) on the impact of microfinance on poverty reduction amongst farmers in Ghana.

The study outcome reveals that most of the microfinance credit users agreed that access to microfinance improved their family welfare and wellbeing including their education, and their self-confidence in saving and spending their money. This outcome is similar to the findings by Khankder's, (2005) study on Bangladesh that microfinance has positive effect on family wellbeing.

Table 5.2.13 Data Showing Microfinance Supports Wellbeing and the Welfare of the Family

Benefits of participation in microfinance	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Increases my formal education (school / college level degree)	0(0.00%)	14(4.59%)	28(9.18%)	230(75.41%)	33(10.82%)
Increases the formal education of my children	0(0.00%)	26(8.52%)	36(11.80%)	204(66.89%)	39(12.79%)
Increases my nutrition and health	1(0.33%)	30(9.84%)	23(7.54%)	212(69.51%)	39(12.79%)
Increases the nutrition and health of my children / family	2(0.66%)	24(7.87%)	28(9.18%)	214(70.16%)	37(12.13%)
Increase support from other family members (moral support, advice, and physical help)	2(0.66%)	44(14.43%)	53(17.38%)	167(54.75%)	39(12.79%)

Decrease in household/family conflicts	0(0.00%)	21(6.89%)	22(7.21%)	224(73.44%)	38(12.46%)
Increases encouragement from husband/family head to participate in activities for self-benefit	0(0.00%)	20(6.56%)	24(7.87%)	216(70.82%)	45(14.75%)

Source: Author, 2018.

Table 5.2.13 shows that, out of the 305 responses received in the study, 230 of the respondents, representing 75.41%, agreed and 33 (10.82%) strongly agreed that a microfinance loan helps in supporting their self-education compared to 14 (4.59%) of the respondents who disagreed and 28 (9.18%) who remained neutral. The outcome is similar to the response regarding access to formal education for the beneficiaries' children, out of the 305 responses received in the study, 204 of the respondents representing 66.89% agreed and 39 (12.79%) strongly agreed that the microfinance loan helps in supporting their children's education compared to 26 (8.52%) of the respondents who disagreed and 36 (11.80%) who remained neutral.

212 (69.51%) of the respondents, agreed that the microfinance practices helped them with an additional income to spend on their nutrition and health services and 39 (12.79%) strongly agreed. This is compared to 1(0.33%) who strongly disagreed, 30 (9.84%) who disagreed and 23 (7.54%) who remained neutral. Similarly,214 (70.16%) of the respondents, agreed that the microfinance practices help them with additional income to spend on their children's nutrition and health services and 37(12.13%)

strongly agreed. This is compared to 2 (0.66%) who strongly disagreed, 24 (7.87%) who disagreed and 28 (9.18%) remained neutral. 167 (54.75%) of the respondents agreed that they have received increased support from family members on issues relating to moral support, general advice, and physical help with household chores after credit from the MFIs. 39 (12.79%) strongly agreed. This is compared to 2 (0.66%) who strongly disagreed, 44 (14.43%) who disagreed and 53 (17.38%) who remained neutral.

Similarly, 224 (73.44%) of the respondents agreed that participating in microfinance helped to reduce family conflicts with their spouse and other family members. 38 (12.46%) strongly agreed. This is compared to 21(6.89%) who disagreed and 22 (7.21%) remained neutral. From the final respondents in this survey, 216 (70.82%) of the respondents agreed that the microfinance practices helped them to get more encouragement from their spouse and family head to participate in activities for self-benefit such as social gatherings and training services, 45 (14.75%) strongly agreed. This is compared to 20 (6.56%) who disagreed and 24(7.87%) remained neutral.

Table 5.2.14 Showing Data on Women Decision Making.

Benefits of participation in microfinance	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Spending daily household expenses	1(0.33%)	30(9.84%)	23(7.54%)	212(69.51%)	39(12.79%)
Spending from my	2(0.66%)	24(7.87%)	28(9.18%)	214(70.16%)	37(12.13%)
Where to use the amount	2(0.66%)	44(14.43%)	53(17.38%)	167(54.75%)	39(12.79%)
Sale/purchase of assets	0(0.00%)	21(6.89%)	22(7.21%)	224(73.44%)	38(12.46%)
Spending on my	0(0.00%)	20(6.56%)	24(7.87%)	216(70.82%)	45(14.75%)
Spending on my children's /family health	0(0.00%)	26(8.52%)	36(11.80%)	204(66.89%)	39(12.79%)

Source: Author, 2018.

Table 5.2.14 shows that, out of the 305 responses received in the study, 212 (69.51%) agreed that they spend daily on household expenses without recourse to their spouse. 39 (12.79%) strongly agreed compared to 30 (9.84%) of the respondents who disagreed, 1(0.33%) strongly disagree and 23 (7.54%) remained neutral. 214 (70.16%) of the respondents agreed that the microfinance practices helped them to spend from their savings. 37(12.13%) strongly agreed. This is compared to 2 (0.66%) who strongly disagreed, 24(7.87%) who disagreed and 28 (9.18%) who remained neutral.

Similarly, 167(54.75%) of the respondents agreed that participating in microfinance practices helped them regarding how and where to use the amount of earnings to increase their business activities or to reduce the size of business. 39 (12.79%)

strongly agreed. This is compared to 2 (0.66%) who strongly disagreed, 44 (14.43%) who disagreed and 53 (17.38%) remained neutral.

167(54.75%) of the respondents agreed that they have received increased support from family members on issues relating to moral support, general advice, and physical help with household chores after credit from the MFIs. 39 (12.79%) strongly agreed. This is compared to 2 (0.66%) who strongly disagreed, 44(14.43%) that disagreed and 53 (17.38%) who remained neutral.

Similarly, 224 (73.44%) of the respondents agreed that participating in microfinance helps them to take decisions on the sale of or purchase of their business assets or raw materials. 38 (12.46%) strongly agreed. This is compared to 21(6.89%) who disagreed and 22 (7.21%) remained neutral. 216 (70.82%) of the respondents agreed that the microfinance practices helped them to spend on their personal health 45 (14.75%) strongly agreed. This is compared to 20 (6.56%) who disagreed and 24 (7.87%) remained neutral.

The following 204 of the respondents representing 66.89% agreed and 39 (12.79%) strongly agreed that the microfinance loan helps them to take decisions and to spend on their children and family personal health compared to 26 (8.52%) of the respondents who disagreed and 36 (11.80%) who remained neutral.

5.3 The Bivariate Analysis

The bivariate analysis was used to explore relationships between the variables identified in the research questions. David and Sutton (2011) describe the use of the bivariate analysis as the relationships between nominal, ordinal, and two interval variables. This enables establishing a relationship in the variables, which is used to calculate the level and measures of the association. Furthermore, the calculation measures the strength of the relationship amongst the variables (David and Sutton, 2011). These variables are the independent and dependent variables. The independent variable is identified in the hypotheses to be acting upon and influencing the dependent variable. The bivariate analysis of the data for the study includes the use of cross tabulations to analyse the relationship between the following variables: entrepreneurship, economic empowerment, wellbeing of the family, and further access to finance by the women. The Pearson's Chi-Square Test was used to provide the relationship between women entrepreneurship, economic empowerment, wellbeing of the family, and further access to finance by the female borrowers. The MFIs provide loans to women to either start a new business or to grow an existing enterprise. The Wilcoxon-Mann-Whitney Test provided a comparison of the differences between the female entrepreneurs running an enterprise of their own and those starting a new or an existing enterprise.

5.3.1 The Reliability Check

The reliability of the indicators of enterprise, entrepreneurship development, and empowerment were measured on the Cronbach’s Alpha. The Cronbach’s Alpha assumes that the average correlation of a set of items is an accurate estimate of the average correlation of all items that pertain to the construct and the score ranges from 0 to 1. The Cronbach alpha results indicated a good fit of validity and internal consistency of the quality of the data set to measure the confidence in using the data collected from the questionnaire. The Cronbach's Alpha of 0.9 ≤ α is considered highly reliable, 0.8 ≤ α < 0.9 is reliable, and 0.7 ≤ α < 0.8 reliability is acceptable. The result shows that enterprise has a Cronbach alpha of.929. The questionnaire used for the survey consists of nine questions that had an excellent level of internal consistency, and the outcome were reliable. The Cronbach's alpha construct of.929 is shown in table 5.3.1.

Table 5.3.1 The Reliability Statistics Indicator on Enterprise

Reliability Statistics on Enterprise		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.929	.930	9

Source: Author data analysis, 2018

The entrepreneurship development has a Cronbach alpha of.882. The questionnaire consists of five questions and had a high level of internal consistency considered as good as determined by a Cronbach's alpha of.882. See table 5.3.2 for the Cronbach's alpha construct.

Table 5.3.2 The Reliability Statistics Indicator on Entrepreneurship

Reliability Statistics on Entrepreneurship		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.882	.887	5

Source: Author data analysis, 2018

Finally, the empowerment scales had a Cronbach alpha of.896. The questionnaire that consists of eight questions had a high level of internal consistency, which is good as determined by a Cronbach's alpha of.896. See the Cronbach's alpha construct in table 5.3.3.

Table 5.3.3 The Reliability Statistics Indicator on Economic Empowerment

Reliability Statistics on Economic Empowerment		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.896	.900	8

Source: Author data analysis, 2018

5.3.2 Multicollinearity Test

The test for multicollinearity showed a good outcome as determined by the results. Multicollinearity occurs when a model includes multiple factors that are correlated to each other instead of being just to a response variable. In other words, multicollinearity occurs when several of primary datasets contains redundant information that hides the influence of each factor on the response variables. According to Tabachnick and Fidell (2014), variables that are multicollinear contain redundant information that is regarded as biased, therefore they should not be used in the same analysis. The existence of multicollinearity would be identified by displaying the correlation matrix of continuous independent factors to reveal the variables with a high correlation among themselves.

The Variance Inflation Factor (VIF) assesses how much the variance of an estimated regression coefficient increases if the predictor variables are correlated. According to O'Brien, (2007) in rules for VIF, a low number assumes no collinearity.

The results of the VIF are as follows, age: 1.144, self-education: 1.313, current loan: 1.398 and type of business: 1.282. Therefore, all the predictor variables VIF (age, self-education, current loan, and type of business) in table 5.3.4, are low numbers, which assumes that there is no collinearity.

Table 5.3.4 The Multicollinearity Data Outcome

Model	Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
	B	Std. Error	Beta	Tolerance	VIF
(Constant)	1.453	.142			
Age	-.066	.019	-.225	.874	1.144
Self-Education	.132	.025	.372	.761	1.313
Current Loan	.001	.010	.010	.715	1.398

Type of Business	.038	.044	.061	.780	1.282

Source: Author data analysis, 2018

5.3.3 The Pearson's Chi-Square Test

Pearson’s Chi-Square Test for the analysis, meets the requirement for the study. The contingency tables were larger than 2x2 and not more than 20% of the expected counts that were less than 5 and all expected counts were greater than one (Field, 2018). The Pearson's Chi-Square Test assumptions were met in order to carry out the test. The four assumptions are *first*, one categorical variable for example: dichotomous, nominal, or ordinal. *Second,* independence of observation, that is there is no relationship between the participants, *third*, the participants are mutually exclusive, that is the participants should be in one group and not in other subgroups. *Fourth*, there must be a minimum of 5 expected frequencies in each group of the categorical variables. This is appropriate to find out whether there is a statistically significant association between the selected variables.

In order to fulfil the above Chi-Square Tests conditions, the current amount of loan was reduced from nine categories to three and the year of membership was reduced from seven to three. In addition, the empowerment, entrepreneurship, and wellbeing of the family were reduced from 5 to three.

If the p-value is less than 0.05, then we can conclude that the variables are not independent of each other and that there is a statistical relationship between the categorical variables. When there is a statistically significant association between the two variables, we can reject the null hypothesis and accept the alternative hypothesis.

If there was a statistically significant association $p <.05$, we would report the null and alternative hypotheses as having a non-statistically significant association. On the other hand, if the $p >.05$, the null and alternative hypotheses will be reported as, there was not a statistically significant association between the two variables. Therefore, we can accept the null hypothesis and reject the alternative hypothesis.

The relationship between microfinance and women's entrepreneurship was conducted on the amount of the loan and the indicators of women's enterprise, entrepreneurship, and access to finance. The test criteria relate to the relationship between the provision of financial services from MFIs and women's empowerment in the business. The results showed that the there was a relationship between the services provided by the microfinance institution and women's enterprise. However, there was on there were no relationship between the services provided by the microfinance institution and access to finance and women economic empowerment. However, there was an increase in communication skills and no relationship between the financial services of the microfinance institution and the women's entrepreneurial abilities.

5.3.4 The Economic Empowerment of Women

The investigation relating to the empowerment of women on the number of years of membership with the MFIs was examined. Akhter (2018) and Rehman et al., (2015) suggest empowerment is contextual and can be reflected through economic empowerment. Most female borrowers are becoming more capable of taking decisions on the economic issues relating to their businesses (Datta and Sahu, 2022).

A chi-square test of independence was conducted on the year of membership and empowerment on the control in decision making relating to the production processes. The chi-square test for independence explores the relationship between the dependent variable, year of membership, and the independent variable which is an increase in decision making relating to the production processes. All expected cell frequencies were greater than five. There was no statistically significant association between the year of membership and empowerment. The outcome of the control in decision making was $\chi^2(4) = 18.019$, $p <.0005$. The association was relatively strong (Cohen, 1988), the Cramer's V is a measure of the strength of association of a nominal-by-nominal relationship and a measure of effect size. The Cramer's V values range in value from 0 to +1 with a value of 0 indicating no association to a value of 1 indicating complete association. Cohen (1988) suggested the following guidelines for interpreting Cramer's V, the small magnitude effect size is 0.1, the moderate magnitude effect size is 0.3, and the large magnitude effect size is 0.5.

According to Cohen (1998), the Cramer's V value of.172 might be considered to indicate a small to moderate strength of association. Interestingly, a few studies show that significant differences exist. A study conducted by Akoglu (2018) shows greater than 0.25 to be a very strong relationship, greater than 0.15 strong relationship, and greater than 0.10 moderate relationship. A chi-square test of independence was conducted between the year of membership and empowerment relating to the hiring of labour. All expected cell frequencies were greater than five. There was a statistically significant association between the year of membership and empowerment, which is χ^2 (4) = 18.233, p <.0005, and the Cramer value of.173. The Cramer's V of.173 according to Akoglu (2018) is considered to indicate a strong strength of association between the year of membership and empowerment relating to the hiring of labour.

The women mainly used the loan for the purchase of equipment or assets and raw materials for the business. Similarly, some of the entrepreneurial women who are involved in the services sector also made purchases of equipment. A chi-square test of independence was conducted between the year of membership and empowerment relating to the control of purchases. All expected cell frequencies were greater than five. This represents a statistically significant association between the year of membership and empowerment regarding purchases, which is χ^2 (4) = 39.678, p <.0005, and the Cramer value of.255. The Cramer's V of .255 which is the measure of the strength of association, was considered reliable. According to Akoglu, (2018) a Cramer‘s V greater than .25 should be interpreted as a strong association between the year of membership and relating to purchases.

5.3.5 The Women Enterprise

The provision of credit to the poor empowers them to manage their income in a prudent way to start an enterprise (van Rooyen et al., 2012; Mahmood et al., 2014; Elhadidi, 2018). Similar literature and based on the perceptions of the beneficiaries of microfinance, there is sufficient evidence that the practice improves their household income, the profitability of their businesses, and also skills development and that such prospects were enhanced by the length of membership in microfinance activities (Wakoko, 2003).

A chi-square test of independence was conducted between the year of membership and enterprise ability. All expected cell frequencies were greater than five. There was a statistically significant association between the year of membership and enterprise development, which is $\chi^2(4) = 18.019$, $p <.0005$. The association was relatively strong (Cohen, 1988), the Cramer's V is a measure of the strength of association of a nominal-by-nominal relationship and a measure of effect size. The Cramer's V values range in value from 0 to +1, with a value of 0 indicating no association, to a value of 1 indicating complete association. Cohen (1988) suggested the following guidelines for interpreting Cramer's V, the small magnitude effect size is 0.1, the moderate magnitude effect size is 0.3, and the large magnitude effect size is 0.5. Therefore, the Cramer's V value of.372 might be considered to indicate a significant strength of association.

5.3.6 The well-being of women households

Family well-being is a major goal of the microfinance programme. Also, the ability of the female borrower to obtain credit contributes to improved family wellbeing (Elhadidi, 2018). The well-being of the family refers to the household that can provide health care, all their children over the age of six years going to school and no members of the household go hungry at any time of the year (Andrikopoulos and Triantafillou, 2022). A chi-square test of independence was conducted on the year of membership, and empowerment on the control in decision making that relates to the production processes. All expected cell frequencies were greater than five. There was a statistically significant association between the year of membership and empowerment on the control of decision making, $\chi^2(4) = 18.019$, $p <.0005$. The association was relatively strong (Cohen, 1988), the Cramer's V is a measure of the strength of association of a nominal-by-nominal relationship and a measure of effect size. The Cramer's V values range in value from 0 to +1 with a value of 0 indicating no association to a value of 1 indicating complete association. Cohen (1988) suggested the following guidelines for interpreting Cramer's V, the small magnitude effect size is 0.1, the moderate magnitude effect size is 0.3, and the large magnitude effect size is 0.5. Therefore, the Cramer's V value of.237 might be considered to indicate a small to moderate strength of association. The results of the qualitative data analysis collected from the microfinance clients showed that, after the loans were received, the loan officers ensured they were used for their intended purpose by personally verifying the applications. The loan disbursement officers also corroborated these findings during the fieldwork. Moreover, because of the potential consequences of defaults on the group, members are often warned by the group leaders or the introducing members not to use the loans for any other purpose and this finding is consistent with Gomez and Santor (2008). The outcomes of the study showed that they did not use microfinance loans outside their intended purpose.

The outcomes of the findings from the microfinance customers demonstrated that, after they received the loans, the loan officers ensured that they were used for the intended purposes specified in their applications. The loan officers additionally validated the use of the loans during the fieldwork. In addition, due to the potential implications for non-payments of instalments by group members, the microfinance officers regularly warned borrowers not to use the credits for some other reason not listed on their application. The finding is consistent with Gomez and Santor (2008). However, the less existence of a strong social cohesion among groups could lead to fewer incentives to repay loans and this is common, particularly in urban areas where joint defaults would not lead to reputational damage and social stigma.

A few studies concluded that the notion that social ties are beneficial for group lending should be qualified, considering that social structures that allow penalties can improve loan repayment, while those that discourage sanctions can impact negatively on repayments.

Kalan (2007) demonstrates that a greater level of social capital within groups is positively related to a high repayment of loans, especially when an enabling environment is created to foster sustained social cohesion. Consistent with Kalan (2007), Wydick (1999) suggests that a higher level of social cohesion particularly where the group members know the individual members before the formation of the group or reside in the same area can reduce the default rates by the individual borrowers (Owolabi, 2015).

The process of screening, monitoring, and enforcement of agreed rules improves the repayment performance of groups (Marr, 2015). Given that most groups usually select members who are known to them, if the agreed policies are implemented, this could lead to less risk-taking by the individual members to avoid the possibility of defaults.

5.4 The Wilcoxon-Mann-Whitney Test

5.4.1 Enterprise and Entrepreneurial Skills of Borrowers having New or Existing Businesses.

The Wilcoxon-Mann-Whitney Test is a rank-based nonparametric test that was used to determine if there are any differences between the sets of women borrowers based on enterprise and entrepreneurial skills. This is used to find out the differences between women borrowers running an already established enterprise and those starting a new enterprise with the microfinance loan. The Wilcoxon-Mann-Whitney

Test confirmed a significant difference in the enterprise development of women with new and existing businesses on the indicators of increase in profit, business assets, and labour. In contrast, the increase in sales did not indicate a significant change in the enterprise variable. The Wilcoxon-Mann-Whitney Test of the entrepreneurial skills showed an increase in the self-confidence level in the sets of women borrowers starting or having an existing business.

Table 5.4.1 Showing Enterprise and Entrepreneurial Skills Indicators

Use of First Loan		N	Mean Rank	Sum of Ranks	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
Profit Increase	To start my new business	39	76.14	2969.50	2189.500	2969.500	-6.376	0.000
	To invest in my already established business	151	100.50	15175.50				
	Total	190						
Sales Increase	To start my new business	40	77.63	3105.00	2285.000	3105.000	-5.859	0.000
	To invest in my already established business	151	100.87	15231.00				
	Total	191						
Increase in Self Confidence	To start my new business	39	94.19	3673.50	2893.500	3673.500	-0.395	0.693
	To invest in my already established business	151	95.84	14471.50				
	Total	190						
Increase in communication skills	To start my new business	39	86.50	3373.50	2593.500	3373.500	-2.633	0.008
	To invest in my already established business	143	92.86	13279.50				
	Total	182						
Increase in business assets	To start my new business	39	95.50	3724.50	2632.500	12928.500	-1.507	0.132
	To invest in my already established business	143	90.41	12928.50				
	Total	182						
Increase in availability of labour	To start my new business	39	78.50	3061.50	2242.500	9028.500	-0.580	0.562
	To invest in my already established business	116	77.83	9028.50				
	Total	155						
Improvement in financial management and computation skills	To start my new business	39	65.15	2541.00	1761.000	2541.000	-6.125	0.000
	To invest in my already established business	129	90.35	11655.00				
	Total	168						

Source: Author data analysis, 2018

The increase in profit scores (mean rank = 76.14), U=2969.50, z = -6.376, p = 0. 000. The “Asymptotic Sig. (2-tailed test) value of ".000”, actually means that p <.0005 as this does not mean that the significance level is actually zero. The increase in sales, increase in communication skills and improvement in managing and computational skills on the business have no statistically significant difference between new and existing business (table 5.4.1).

Therefore, the result on the table reveals that there were no statistical significantly difference exists in those women engaged in new businesses and those investing in an existing business, regarding profit generated from the business.

The increase in sales scores (mean rank = 77.63), U=3105.00, z = -5.859, p = 0. 000.The the "Asymptotic Sig. (2-tailed test) value of ".000", actually means that p <.0005 as this does not mean that the significance level is actually zero. The increase in sales shows that there was not a statistically significant difference in those women engaged in new businesses and those investing in an existing business, regarding sales increase in the business.

The increase in self-confidence scores (mean rank = 94.19), U=3673.50, z = -0.395, p = 0.693 means that p >.0005. The increase in self-confidence shows a statistically significant difference between new and existing business (table 5.4.1). Table 5.4.1 reveals that there was a statistically significant difference in those women engaged in new businesses and those investing in an existing business regarding self-confidence.

Similarly, there is an increase in availability of labour (mean rank = 78.50), U=2242.50, z = -0.580, p = 0.562 means that p >.0005. The increase in availability of labour shows a statistically significant difference between new and existing business (table 5.4.1). The table, 5.4.1 reveals that there was a statistically significant difference on those women engaged in new businesses and those investing in an existing business regarding labour availability.

5.5 The Binomial Regression Analysis

The first part was the descriptive statistical analysis that focussed on frequencies and cross tabulations. The cross tabulations enabled a separate analysis to be performed for the interventions. The use of the chi-square test in the second part of this study assesses the relationships between the variables and those that were found to be statistically significant were discussed. The Wilcoxon-Mann-Whitney Test was used to determine if there were differences between the ordinal dependent variables. The tests and analysis helped to guide the variables to include in the binomial regression analysis.

The binomial regression analysis was used to assess the effect of microfinance credit on women microfinance beneficiaries on the likelihood to accept or reject the five hypotheses. The relationship that had statistically significant results were interpreted. Based on the literature relating to similar research in the field, observations, and fieldwork experiences. The variables that are not dependent or independent but are likely to affect the study are held constant, so the outcomes of the study are robust (Xie et al., 2021). The Binary Logistic Regression approach and the regression models are effective in predicting impact outcomes in most social science research (Tisdell et al., 2020; Mavhungu et al., 2014).

Table 5.5.1 Showing the Variables, Hypothesis Testing and Outcomes

The Five Hypotheses	Research Questions	Dependent Variables	Bivariate Analysis	Hypothesis Testing	Result
H_1: Microfinance increases the access of finance from commercial banks	Does participation in microfinance programmes increase opportunities for women to access finance from commercial banks.	Savings; Level of Education	Chi-Square Test; Mann Whitney U Test	Binary Logistic regression; Cronbach's Alpha and Multicollinearity	H1= Not supported
H_2: Microfinance financial and non- financial services develop women entrepreneurial abilities	Does participation in the microfinance programmes contribute to the development of women's entrepreneurship in Nigeria?	Age; Business Type; Household Head	Chi-Square Test; Mann Whitney U Test; Spearman Correlation Test	Binary Logistic regression; Cronbach's Alpha and Multicollinearity	H2= Not supported
H_3: Microfinance financial and non- financial services develop women microenterprise		Business Type; Current Loan; Microenterprise	Chi-Square Test; Mann Whitney U Test; Spearman Correlation Test	Binary Logistic regression; Cronbach's Alpha and Multicollinearity	H3= Supported
H_4: Microfinance services develops women's economic empowerment	Does a loan from MFI increase economic empowerment and increase the well-being of women households?	Increase in Income; Self confidence	Chi-Square Test; Mann Whitney U Test; Spearman Correlation Test	Binary Logistic regression; Cronbach's Alpha and Multicollinearity	H4= Not supported
H_5: Microfinance services develops the well-being of the women and their families		Nutrition and Health; Increase support from other family members	Chi-Square Test; Mann Whitney U Test; Spearman Correlation Test	Binary Logistic regression; Cronbach's Alpha and Multicollinearity	H5= Supported

Source: Author data analysis, 2018

The Binomial Logistic Regression Analysis model formula for the hypothesis testing is:

$$\text{Logit}_i: = \ln\left(\frac{\text{prob } event}{1 - \text{prob } event}\right) = b_0 + b_1X_1 + \dots + b_nX_n \quad (2)$$

Hair *et al.*, (2014 : 322)

The choice of the Binomial Regression Analysis model over other statistical methods is because of the inherent ranks, and it produces more accurate results as it employs ordered characteristics of data. The regression is based on an odds ratio and natural log transformations. Therefore, it has a binary response, and the outcome variable only takes two values coded 0 and 1. Consequently, the data must be prepared for the quantitative analysis.

5.5.1 The Constructs and Operationalisation of the Variables

The questionnaire contained multiple choice and Likert scale questions. Coding was done to align with the SPSS software. For example, the Likert scale was structured as 1 represents strongly disagree, 2 - disagree, 3 - neutral, 4 – agree and 5 – strongly agree. For appropriateness and accuracy, the coding was crosschecked by an SPSS specialist who is an academic member of staff at BCU. The questions were in ordinal or nominal data form with the exception of some variables that were dichotomous. The data was analysed with SPSS by using descriptive and inferential statistics. The descriptive analysis includes frequency distribution, cross tabulation and bivariate analysis of the Chi-square Test. The ordinal and nominal nature of the data allows non-parametric tests in inferential statistics. Moreover, the data of the questionnaire is not randomly sampled; therefore, non-parametric test could be applicable. The most suitable nonparametric test was the Mann Whitney U Test that examined differences between groups. In this study two groups of women were compared and tested: one comparison is between the women who are entrepreneurs with those who are not, and the second comparison is between women with new or existing businesses.

On the qualitative data, the researcher used the grounded theory to analyse classifications and present themes that relate to the data. The analysis gives an opportunity to understand the potential of issues more widely and answer research questions. This aligns and correlate with other previously published data, which increases validity (Castleberry and Nolen, 2018).

The set of questions in the questionnaire focus on the five areas of interest, which are access to finance, women's, entrepreneurial development, enterprise development, economic empowerment, and family wellbeing. The regression analysis was used to test the relationship between the variables. Thus, the quantitative analysis employed both descriptive and inferential statistics. The independent variables are categorical. Therefore, the categories were reduced by merging them into fewer responses for reliable interpretation of the results.

For example, the loan size was reduced to three categories, the age was reduced to three categories, business training was reduced to two categories, the education and household reduced to three respectively. The independent variables of loan size, business training, enterprise type, age, education, and household were checked for multicollinearity. The values of tolerance of not less than 0.1 and variance inflation factors (VIF) not greater than 10 indicate no problem of collinearity between the predictor variables (Field, 2009). The binary logistic regression model has the target variable as a binary that can take only two values used in predicting most social science research outcomes (Tisdell et al., 2020).

Table 5.5.2 Showing the Operationalisation of the Dependent and Independent Variables

Variables	Indicators	Measurement of the indicators	Other Measurement used in the literature	Other indicators used in some Literature
Access to Finance	Increased chances of obtaining business loans from commercial banks	Ordinal-Likert Scale	Nominal	Financial constraint
Development of Women's Entrepreneurial Abilities	Increase in self confidence	Ordinal-Likert Scale	Dichotomous	Self Confidence
Development of Women's Microenterprise	Increase in profit; Increase in sales; Increase in assets; Increase in labour	Ordinal-Likert Scale	Dichotomous; Continuous; Actual or average amount/ percentage.Open ended question to fill the amount of two years to find change of assets from previous year	Profit/Net Profit; Average ;annual profit before and after microcredit; Change in profit ;Annual Sales/Credit;Sales/Average Sales; Sales;Volume; Change in Sales. Acquisition of assets such as premises, physical equipment, inputs, vehicles, land, animals; Change in assets:Average number of workers before and after microcredit; Change in employees; Number of employees
Development of Women's Economic Empowerment	Autonomy of decision making about spending money on daily household expenses; Autonomy of decision making about spending money from my savings; Autonomy of decision making about where to use the earnings;Autonomy of decision making about spending money on sale or purchase of assets or livestock; Autonomy of decision making about spending money on my health; Autonomy of decision making about spending money on my children's / family health; Autonomy of decision making about spending money on my education; Autonomy of decision making about spending money on children's education	Ordinal-Likert Scale	Dichotomous; Open ended questions	Financial autonomy: women currently control their earnings; women's earnings as a share of household income. Women's control of purchases; over income; Access to, or control of cash, household income, assets, unearned income, welfare receipts, household budget; Domestic Decision-Making on: Finances, resource allocation, spending, expenditures,
Well-being of Women and the Family	Increase in your formal education ; School / college level degree	Ordinal-Likert Scale	Dichotomous	Domestic Decision-Making on: Child related issues

Table 5.5.3 Showing the Operationalisation of the Control Variables

Variables	Indicators	Measurement of indicators	Other related indicators used in the Literature
Age	Age of the women borrowers	Ordinal data	Women less /more than 31 years old
Education	Education of the women borrowers		Maximum education of household; male/female; education of highest educated female; Literacy of female; Numeracy of female; reading/writing/schooling
Household head	Household head in the women borrowers' house	Nominal data	Borrowers heading their households
Family Unit	Family system in the women borrowers' house	Nominal data	Family structure (nuclear/extended/ alone)
Children	Number of children	Ordinal data	Children of members under five
Type of microenterprise	New or existing enterprise	Nominal data	Types of business
Use of microcredit	Use of credit in own business or others business	Nominal data	Credit use
Microfinance schemes	From which MFP women obtained services	Nominal data	Microfinance approaches
Household income	Increase in income of the household of the women borrowers after microfinance	Dichotomous data	Average monthly household income

Assets- House	Increase in immovable property-house of the women borrowers after microfinance		Total value of non-land asset
Assets-Agricultural land	Increase in immovable property- agricultural land of the women borrowers after microfinance	Dichotomous data	accumulation; property and
Assets-Others	Increase in other assets such as non-agricultural land and jewelry, of the women borrowers after microfinance		economic status; land ownership;
Household items	Increase in household items such as computer of the women borrowers after microfinance		Livestock/animals owned; Live
Necessity goods	Increase in the necessity goods (food items) in women borrowers' households after microfinance		
Savings	Increase in saving by the women borrowers after microfinance	Dichotomous data	Increases in savings

5.5.2 The Access to Finance (H_1)

Access to further credit is a major barrier for business owners (Wellalage and Thrikawala, 2021). The binomial logistic regression was performed to find out the effect of microfinance services after receiving the microcredits from the MFIs on further access to external finance.

The model in table 5.5.4 has six variables (age, education, location, first loan size, training, and business type). The variables age and location were statistically significant to the model. The logistic regression model was statistically significant, $\chi^2 = 71.158$. From the predictor variables in Table 5.5.4, the model explained 64.6% (Nagelkerke R^2) of the variance and 50.9% (Cox & Snell).

The odd ratio of .180 for age ($p<.05$) is less than 1, indicating that borrowers with the age between 18-39 years are .18 likely to report an increase in access to finance compared with 40-59 years. The odd ratio of .432 for location ($p<.05$) is less than 1, indicating that borrowers in the urban area are .4 likely to report an increase in access to finance compared with those in the rural areas.

The loan predictor, which is not statistically significant indicates that borrowers taking loan amounts of N35,001 to N100,000 are .5 times (odd ratio of .598 $p< 1$) more likely to report increase access to finance compared with loan amount of up to N35,000 when controlling for all factors in the model. Also, the odd ratio of education is 1.398 ($p<.5$), indicating that borrowers with no qualification are 1.3 times likely to report an increase in access to finance compared with borrowers with qualification controlling for all the factors in the model. This is not statistically significant.

The odd ratio of business type is .848 (p<.5), indicating that borrowers in services are .8 times likely to report an increase in access to finance compared with borrowers engaged in trading. Interesting, the odd ratio of borrowers that received training is .094 (p<1), indicating that borrowers that received training from the MFIs are .094 less likely to report an increase in access to finance controlling for all the other factors. The odd ratios of business type and training are not statistically significant.

Table 5.5.4 Showing the Regression Coefficients for Access to Finance

Variables	Categories	B	Exp B	Std. Error	Sig.
Age	18-39 years	.838	.180	.428	.047
	40-59 years	.128	.497	.911	.265
	60 years and above	0	**1**	.	.
Education	No Qualification	1.743	1.398	.565	.170
	Qualification	.821	2.441	.630	.239
	Others	0	**1**	.	.
Location	Urban	1.077	.432	.323	.022
	Rural	-	-	-	-
	Others	0	**1**	.	
First Loan Size	Up to N35,000	1.124	.720	.618	.988
	N35,001 to N100,000	2.372	.598	1.431	.561
	N100,001 and more				
Training	Yes	.248	.094	.398	.781
	No	0	**1**		
Business Type	Services	2.746	.848	1.222	.152
	Trading	1.048	.798	1.607	.385
	Others	0	**1**		
Constant		12.232	1.218	.353	1.592

Notes: - indicates the reference category obs.=244; R^2 =.509 (Cox & Snell), .646(Nagelkerke), Model x^2 (14) = 71.158: ***p<0.001, **p<0.05, *p<0.1.

Source: Author data analysis, 2018

5.5.3 The Entrepreneurial Ability (H_2)

A binomial logistic regression was performed to ascertain the effect of microfinance services to assess the likelihood that the women borrowers who has received microcredit will report an increase activity on their entrepreneurial ability. Based on the assessment in Table 5.5.5, all the continuous independent variables were found to be linearly related to the logit of the dependent variables. The model explained 52.3% (Nagelkerke R^2) of the variance and 28.7% (Cox & Snell).

The model in table 5.5.5 has five variables (age, education, first loan size, training and business type). The variables age and training were statistically significant to the model. The odd ratio of -1.980 for age ($p<.05$) is less than 1, indicating that borrowers with the age between 18 and 39 years are -1.9 less likely to report an increase in entrepreneurial ability compared with 40-59 years. The odd ratio of borrowers that received training is -1.394 ($p<.1$), indicating that borrowers that received training from the MFIs are -1.394 less likely to report an increase in entrepreneurial ability controlling for all the factors in the model.

The other variables education, first loan size and business type were not statistically significant. The odd ratio of education is 2.168 ($p<.5$), indicating that borrowers with no qualification are 2 times likely to report an increase in business entrepreneurial ability compared with borrowers with qualification controlling for all the factors in the model. The loan predictor indicates that borrowers taking loan amounts of N35,001 to N100,000 are 1.4 times (odd ratio of 1.498 $p<.5$) more likely to report increase business entrepreneurial ability compared with loan amount of up to N35,000 when controlling for all factors in the model.

Table 5.5.5 Showing the Regression Coefficients for Entrepreneurial Ability

Variables	Categories	B	Exp B	Std. Error	Sig.
Age	18-39 years	.138	-1.980	.828	.017
	40-59 years	.228	-1.477	.801	.065
	60 years and above	0	1		
Education	No Qualification	1.743	2.168	1.465	.139
	Qualification	3.821	1.341	.930	.149
	Others	0	1	.	.
First Loan Size	Up to N35,000	1.127	.120	.817	.883
	N35,001 to N100,000	2.472	1.498	1.331	.261
	N100,001 and more				
Training	Yes	.248	-1.394	.798	.081
	No	0	1		
Business Type	Services	3.746	1.748	1.222	.152
	Trading	2.048	1.398	1.307	.285
	Others	0	1		
Constant		1.896	.640	1.768	.718

Notes: - indicates the reference category obs.=243; R^2 =.287 (Cox & Snell), .523(Nagelkerke), Model x^2 (13) = 82.065: ***p<0.001, **p<0.05, *p<0.1.

Source: Author data analysis, 2018

5.5.4 The Women's Enterprise (H_3)

A binomial logistic regression was performed to ascertain the effects of the respondents' use of microfinance credit increases the level of enterprise. Based on the assessment, all the continuous independent variables were found to be linearly related to the logit of the dependent variable. The logistic regression model was statistically significant, χ^2 = 72.995. The model indicates a relationship between the levels of loan and increase business enterprise after receiving the loans from the MFIs. From the predictor variables in Table 5.5.6, the model explained 47.2% (Nagelkerke R^2) of the variance and 25.9% (Cox & Snell).

The model in table 5.5.6 has five variables (age, education, first loan size, microenterprise, and business type). The variables age, first loan size, training and business type were statistically significant to the model.

The odd ratio of .108 for age (p<.001) is less than 1, indicating that borrowers with the age between 40-59 years are .1 times likely to report an increase in enterprise compared with 18 and 39 years. The loan predictor indicates that borrowers taking loan amounts of N35,001 to N100,000 are 6 times (odd ratio of 6.215, p<.1) more likely to report increase business enterprise compared with loan amount of up to N35,000 when controlling for all factors in the model.The odd ratio of education is 6.711 (p<.5), indicating that borrowers with no qualification are 6 times likely to report an increase in business enterprise compared with borrowers with qualification controlling for all the factors in the model. The odd ratio of business type is 1.201 (p<.1), indicating that borrowers in services are 1.2 times likely to report an increase in business enterprise compared with borrowers engaged in trading. Also, the odd ratio of borrowers that has new microenterprise is .225 (p<.05), indicating .225 likely to report an increase in enterprise controlling for all the factors in the model.

Table 5.5.6 Showing the Regression Coefficients for Enterprise

Variables	Categories	B	Exp B	Std. Error	Sig.
Age	18-39 years	1.306	3.691	1.186	.271
	40-59 years	-2.221	.108	.841	.001
	60 years and above	0	1	.	.
Education	No Qualification	1.904	6.711	1.433	.184
	Qualification	.659	1.933	.880	.454
	Others	0	1	.	.
	Up to N35,000	.388	1.475	.782	.620

First Loan Size	N35,001 to N100,000	1.827	6.215	1.316	.165
	N100,001 and more				
Microenterprise	New	-1.491	.225	.789	.059
	Existing	0	**1**		
Business Type	Services	2.219	1.201	1.178	.060
	Trading	1.839	.292	1.251	.141
	Others	0	**1**		
Constant		.771	2.162	1.708	.652

Notes: - indicates the reference category obs.=244; R^2 =.259 (Cox & Snell), .472(Nagelkerke), Model x^2 (13) = 72.995: ***p<0.001, **p<0.05, *p<0.1.

Source: Author data analysis, 2018

5.5.5 The Economic Empowerment(H_4)

The binomial logistic regression was performed to ascertain the effects of the respondents' use of microfinance credit on the economic empowerment of the borrowers. The logistic regression model was statistically significant, χ^2 = 73.131. In the predictor variables in table 5.5.7, the model explained 63.1% (Nagelkerke R^2) of the variance and 36.2% (Cox & Snell). The model in the table has nine variables (age, education, household, first loan size, increase in income, increase in savings, increase in home assets, increase in other assets, and increase in necessity goods).

The variables education and increase in income were statistically significant to the model. The odd ratio of education is 2.168 (p<.1), indicating that borrowers with no qualification are twice likely to report an increase in economic empowerment compared with borrowers with qualification controlling for all the factors in the model. This reveal that women borrowers with no education as compared to those with qualifications are likely to be associated with agree of economic empowerment after microfinance as compared to neutral or disagree, remaining all other variables constant. Also, the odd ratio of increase in income is 1.394 (p<.1), indicating that borrowers with increase in income are 1.3 likely to report an increase in economic empowerment compared with borrowers that indicated no increase in income controlling for all the factors in the model.

The other variables are not statistically significant. For instance, the outcome indicates that borrowers taking loan amounts of N35,001 to N100,000 are 1.4 times (1.498, p<1) are 1.4 less likely to report increase economic empowerment compared with loan amount of up to N35,000 when controlling for all factors in the model. The odd ratio of 1.419 for age (p<1) is less than 1, indicating that borrowers with the age between 40 and 59 years are 1.4 times less likely to report an increase in economic empowerment compared with 18-39 years.

Table 5.5.7 Showing the Regression Coefficients for Economic Empowerment

Variables	Categories	B	Exp B	Std. Error	Sig.
Age	18-39 years	.138	1.980	.828	.617
	40-59 years	.228	-1.477	.801	.865
	60 years and above	0	**1**	.	.
Education	No Qualification	3.743	2.168	1.465	.039
	Qualification	1.821	1.341	.943	.149
	Others	0	**1**	.	.
Household	Married	.089	.942	.374	.802
	Single	-	-	-	-
	Others	0	**1**	.	
First Loan Size	Up to N35,000	1.127	.120	.817	.883
	N35,001 to N100,000	2.472	1.419	1.331	.261
	N100,001 and more				
Increase in Income	Yes	.248	1.394	.798	.081
	No	0	**1**		
Increase in Savings	Yes	.361	1.324	.322	.415
	No	0	1		
Increase in Home Assets	Yes	.248	.719	.419	.684
	No	0	**1**		
Increase in other Assets	Yes	-.245	1.748	1.222	.152
	No	0	1		
Increase in Necessity goods	Yes	2.135	.208	.837	.314

	No	0	1		
Constant		1.352	.653	0.053	.698

Notes: - indicates the reference category obs.=247; R^2 =.362 (Cox & Snell), .631(Nagelkerke), Model x^2 (14) = 73.131: ***p<0.001, **p<0.05, *p<0.1.

Source: Author data analysis, 2018

5.5.6 The Well-Being of Women's Household(H_5)

Binomial logistic regression was performed to ascertain the effects of the respondents' use of microfinance credit on the well-being of the women borrowers. The logistic regression model was statistically significant, χ^2 = 77.372.

From the predictor variables in Table 5.5.8, the model explained 53.2% (Nagelkerke R^2) of the variance and 26.4% (Cox & Snell). The model has ten variables (age, education, household, first loan size, increase in savings, increase in income, increase in other assets, children, increase in necessity goods, and family unit). Six variables (age, education, first loan size, increase in savings, increase in other assets, and increase in necessity goods) were statistically significant to the model.

The odd ratio of .910 for age (p<.05) is less than 1, indicating that borrowers with an age 18-39 years are .9 likely to report an increase in their well-being compared with 40-59 years. The odd ratio of education is 9.168 (p<.05), indicating that borrowers with no qualification are 9 times likely to report an increase in the well-being of their household compared with borrowers with qualification controlling for all the factors in the model.

The loan predictor indicates that borrowers taking first loan amounts of N35,001 to N100,000 are 1.8 times (odd ratio of 1.803, p<.05) more likely to report increase in their well-being compared with loan amount of up to N35,000 when controlling for all factors in the model.

The variables of increase in savings, increase in other assets, increase in necessity goods in the table are all statistically significant as well. The odd ratio of increase in savings is .778 ($p<.05$), indicating that borrowers with increase in savings are .7 times likely to report an increase in their family well-being compared with borrowers that indicated no increase in savings controlling for all the factors in the model.

The odd ratio of increase in other assets is 1.834 ($p<.05$), indicating that borrowers with increase in other assets are 1.8 times likely to report an increase in their family well-being compared with borrowers that indicated no increase in other assets controlling for all the factors in the model. The odd ratio of increase in necessity goods is .355 ($p<.05$), indicating that borrowers with increase in necessity goods are .3 times likely to report an increase in their family well-being compared with borrowers that indicated no increase in necessity goods controlling for all the factors in the model.

The other variables in the model, household, increase in income, the number of children, and family unit in table 5.5.8 are not statistically significant. The result of the model on the well-being of the family was further investigated through semi-structured interview analysis to understand the overall impact of microfinance services on the women borrowers.

Table 5.5.8 Showing the Regression Coefficients for the Wellbeing of the Family

Variables	Categories	B	Exp B	Std. Error	Sig.
Age	18-39 years	.634	1.910	.327	.004
	40-59 years	.228	-1.477	.401	.052
	60 years and above	0	1	.	.
Education	No Qualification	2.743	9.168	.416	.039
	Qualification	3.821	1.341	.930	.642
	Others	0	1	.	.
Household	Married	.687	1.988	.476	.149
	Single	-.246	.782	.407	.545
	Others	0	1	.	
First Loan Size	Up to N35,000	.368	1.244	.640	.096
	N35,001 to N100,000	.631	1.803	.475	.003
	N100,001 and more	0	1		
Increase in Savings	Yes	3.174	.778	1.262	.002
	No	0	1		
Increase in Income	Yes	.548	-1.292	.391	.071
	No	0	1		
Increase in other Assets	Yes	2.646	1.834	1.242	.015
	No	0	1		
Children	Up to 4	-.375	2.793	.162	.056
	More than 4	0	1		
Increase in Necessity goods	Yes	-1.985	.355	.435	.004
	No	0	1		
Family Unit	Monogamy	.276	.881	.564	.724
	Polygyny	0	1		
Constant		1.923	2.549	1.835	.903

Notes: - indicates the reference category obs.=252; R^2 =.264 (Cox & Snell), .532(Nagelkerke), Model x^2 (14) = 77.372: ***p<0.001, **p<0.05, *p<0.1.

Source: Author data analysis, 2018

5.7 Discussion

The questionnaire has five main sections and focuses on women's access to finance, entrepreneurial ability, enterprise, economic empowerment, and the wellbeing of the family. The relationships of the variables in the five sections were tested with regression analyses on the null and alternative hypothesis. *First,* the MFI provision of financial and non-financial services improves the chances of women's access to further finance from commercial banks. The investigation focuses on credits provided by the MFIs to the women if this will lead to access to further finance from formal commercial banks*. Second,* the analysis investigated if the MFI provision of financial and non-financial services has a positive impact on the entrepreneurial abilities of women. *Third,* does the MFI provision of financial and non-financial services has a positive impact on women's microenterprise development. The women often start their own businesses with money received from the MFIs. *Fourth,* the participation of women in MFI activities positively influences the economic empowerment of women. However, the services of microfinance do not provide empowerment within the household. *Fifth,* the discussion focuses on the participation of women in microfinance activities whether this has a positive impact on the wellbeing of their household.

5.8 Summary of the Chapter

The results of the data analysis in this chapter show that microfinance plays an important role in the households of the women borrowers. The quantitative data used in the model for the analysis were cleaned and they were checked for inconsistencies. This process ensures that the data collected from the field was valid and reliable for the study. The qualitative data collected from interviews were also cleaned, transcribed into words, interpreted, and were used for further analysis.

The results showed that most of the women entrepreneurs in the sample, either disagree or strongly disagree with the increase in entrepreneurial abilities regarding the first loan amount received from the microfinance institutions. However, the receipt of the money increases their planning and financial management skills. The chi-square test shows that the increase in profit and communication skills, were significant variables with the size of the loan amount. In addition, the enterprise and entrepreneurial skills variables show a significant difference between the two groups of women starting a new enterprise or having an existing enterprise. The outcome of the study agrees that microfinance is not conclusive as a successful tool in economically empowering the women borrowers in some decision making within the household. Mahmood (2013) reports that the economic empowerment of women with microfinance credit, remains inconclusive. Recent findings suggest that women entrepreneurs have little or no effect on the empowerment within the household. The outcome on the relationship between the provision of financial services of MFIs and women's empowerment in the business, indicate no significant relationship between the services provided by the microfinance institution and women's economic empowerment and further access to commercial bank loans.

The outcome of the result is consistent with researchers in the field of microfinance. The result also shows that the welfare and wellbeing of the family are enhanced through an increase in formal education, an increase nutrition and health, and encouragement from the spouse to participate in activities for self-benefit.

Finally, microfinance practices improve women’s enterprise through increase in the enterprise's growth of sales, profit, and acquisition of assets and support family wellbeing. However, the empirical evidence suggests women who borrowed money from MFI do not become bankable in that they do not seek or are able to secure funds from commercial banks. The results are consistent with other positive women’s outcomes by some scholars (Chhorn, 2021; Pitt, et al., 2006; Sanyang and Huang, 2008; Lucy, et al., 2008; Mahmood, 2013).

Chapter 6

6.0 The Services Providers and Women Borrowers

6.1 Introduction

The chapter focus on the service providers and the impact of the services on the female borrowers in a developing country such as Nigeria. The chapter also focuses on other sources of small credit providers which differ from MFIs and that use group lending to promote financial inclusion and repayments. The information was collected from the MFIs' websites, annual reports, interviews, and other relevant sources to provide an overview and a conceptual framework of microfinance practices.

In addition, the chapter reviews the key research findings and their implications for the study. The discussions focus on the ways the research has provided a clearer understanding of microfinance practices in empowering entrepreneurial women, by drawing on the findings to answer the research questions. *First,* whether the participation of women in microfinance programmes contributes to the development of women's entrepreneurship in Nigeria. *Second*, does participation in the microfinance programmes increase opportunities for women to access external finance. *Finally*, the study investigates the relationship between microfinance loans and the family wellbeing of women. The conceptual framework encapsulates the research objectives using descriptive and inferential statistics, literature reviews that shaped the themes and empirical analysis. The objectives of this thesis are first, to critically evaluate literature to study the consequences of financial exclusion amongst rural and urban entrepreneurial women. Second, to analyse the issues that link microfinance practices and poverty alleviation in Nigeria. Third, to critically assess the empirical survey data obtained from rural and urban MFIs in Nigeria. Fourth, to review women's participation in microfinance and to develop policy recommendations for practitioners, academics, sponsoring organisations and respective governments.

The conceptual framework shows the relationship between microfinance and the economic empowerment of entrepreneurial women in Nigeria. The statistical data provided answers regarding the impact of microfinance loans on enterprise development, further access to additional loans from external sources such as commercial banks, how participating in microfinance programmes contribute to the development of women's' entrepreneurship and how participating in microfinance programmes leads to improved family wellbeing. The chapter also examines the providers' perspectives on lending strategy regarding the women borrowers within their organisation.

Finally, the section discusses other financial providers other than family members and friends such as "esusu" that could provide credits to the users of the microfinance institutions. This helps to identify the right questions and comprehensively understand the borrowers' plight, especially the complex social phenomena in a developing economy of such areas where the study is rare.

6.2 The Financial Situation

Sub-Saharan Africa (SSA) is behind in economic competitiveness; as of 2015, 46% of the world's population struggled to meet their basic needs. The lack of food could lead the world to miss the zero hunger targets as the situation affects one in nine people in the world (WEF, 2019). Sub-Saharan Africa (SSA) is overall the least competitive region, with 25 of the 34 economies assessed this year scoring below 50 (WEF,2019). However, 14 of the SSA makes strides to close the gaps in healthy life expectancy. Nigeria is ranked 116th out of 141 on global competitiveness, on a positive note, the country position is 31 out of 141 on entrepreneurship culture(WEF, 2019).

The two MFIs selected for the study are Microvis Microfinance Bank and Macrod Microfinance Bank. The head office of Microvis Microfinance Bank is located in the city of Kaduna, which was the former capital of the Northern region of Nigeria. According to the 2009 World Bank survey, Kaduna has a high concentration of entrepreneurship practices in Northern Nigeria (Larossi, Mousley and Radwan, 2009). In addition, Kaduna has 49% of its micro-firms owned by women (Larossi, Mousley and Radwan,2009).

Among the core values of Microvis Microfinance Bank, are flexibility and entrepreneurship. According to the information on Microvis website, "*Microvis was born out of a God given vision to touch lives and reduce the population of Nigerians living below poverty line by building a leading microfinance bank through the provision of quality products and services with commitment to excellence."*

The head office of Macrod Microfinance Bank is located at Ughelli. However, the researcher collected data at the branch office at Abraka in Delta state. This meets the research objectives for using data collected on rural and urban MFIs in Nigeria for the study.

Several researchers have not resolved what constitutes an urban or rural area. In most developing economies, basic amenities and social economic characteristics have been used to define rural areas (Muula 2007). A few researchers argue that population size should be used to define urban and rural areas. However, Muula (2007) argues that definitions should reflect the researcher's motivation and interest.

The classification of the urban and rural areas for this study will be based on the socio-cultural context, the main occupational activities, and the cultural patterns within the community. The Microfinance users were grouped into two, those users in the urban areas and the others in the rural areas.

6.3 Nigerian Financial Institutions and the Regulatory Framework

The categories of Nigerian financial institutions and the regulatory framework are the formal and informal systems. The informal financial services mostly provide credit facilities to the lower income households, while the formal financial institutions attract the well-off and literate customers.

6.3.1 Formal Financial Institutions

The formal financial institutions are incorporated under the Companies and Allied Matters Act (CAMA) 2018. The act reduces certain compliance requirements for small companies, which is good for stimulating businesses, such as the provision for single directorships.

- Exemption from appointing statutory auditor if the company has not carried on any business activity.
- Exemption from convening annual general meetings.
- Exemption from mandatory provision for appointment of company secretary.
- Discretionary use of common seal.

6.3.2 The Universal Banks

The universal banking system in Nigeria was introduced in 2000. This enables the banks to provide financial services such as insurance, mortgages, stock broking, merchant banking, commercial banking, and bureau de change. The CBN in a quest for a sustainable structure, proposed changes to enable banks to concentrate on each sector of the economy to increase economic activities. All the specialised banks, such as non-interest banks or banks that might just want to concentrate on the funding of Small and Mid-size Enterprises (SMEs) or the funding of agriculture, would be licensed for that. Various categories of the systems were adopted. A bank that wants its operations to be outside the shores of the country will be carrying an international banking licence or a bank that wants to be a national bank in outlook will be carrying a national banking licence. Other categories include banks that would remain regional banks. Such banks want to operate within some states and will be given a regional banking licence.

This was criticised as banks are putting shareholders' funds at risk and are not concentrating on their areas of core competence. The Financial Sector Regulatory Coordinating Committee (FSRCC) worked on the details of the framework that will transform into a policy for a "banking system structure,'' a clear departure from the universal banking system, as new licences were given to banks to phase out universal banking.

The existing banking structure is such that a bank will own subsidiaries on which shareholders' funds are spent, rather than the traditional way of banking, thereby portending danger for the industry. The Universal Bank model was reviewed so that banks began to do business in terms of assisting the economy and ensuring that depositors' funds are not put in danger. The new regime's banking structure enabled banks to concentrate on their areas of core competence. The idea was to create a niche for each of the banking activities. The central bank works out the details in terms of the transitional arrangement from what currently obtains to assist the economy. Sufficient time was given to the Universal Bank to be able to transit without causing any disruption in the system.

The CBN faced with stiff opposition, unbundled the existing universal banking model, so that banking activities were properly defined so that separate licences would be issued to each category of banking activity, such as commercial, investment, mortgage, and non-interest banking, amongst others. This means that a separate licence was issued for commercial banking; a separate licence was issued for microfinance banks; they issued a licence for mortgage banking business and if any of the banks also want to do investment banking, a separate licence will be issued for that.

6.3.3 The Community Banks

The community-banking scheme started in 1991 to mobilise community resources. The operations of the scheme grew quickly and by the end of 1995, over 1,358 community banks were in operation in both the southern and northern parts of Nigeria.

The community banks were designed to increase the deposit mobilisation of Nigeria's rural economy and to make them more efficient, more economically productive. This was modelled through the provision of credit and financial services to groups of individuals within the same community residence or occupation as appropriate.

6.3.4 The Peoples Bank

The adoption of the Structural Adjustment Programme (SAP) in 1986 resulted in financial liberalisation which led to an upsurge in the growth of commercial banking institutions (Anyanwu and Uwatt, 1993). Despite the rapid increase in the number of commercial banks, the low-income groups failed to access loans due to the high costs of credit, illiteracy, and lack of collateral.

The Peoples Bank of Nigeria (PBN) was established on October 1, 1989, to help the poor to access credit and to minimise exploitation by moneylenders and to encourage economic activities in rural areas. The PBN was modelled after the Grameen Bank of Bangladesh. The group lending model consisting of 13 members. was adopted to ensure a high recovery rate. The leaders of each group loan who depend on the group performance, are usually the last to receive loans. On serious default or the death of a beneficiary, PBN could recover their money through sales of the business assets. The PBN used mobile banks, where they used public address systems and radio adverts to market their services.

The main sources of income for the PBN include money received from the Federal Government, state government, and individual savings deposits. The operation of PBN was poorly funded from the money received. The initial impressive performance quickly developed into inefficiency, fraud, and maladministration. Government inability to prosecute the corrupt members of staff, was the main reason for the collapse of the bank.

6.3.5 the Esusu Collectors

The esusu or contribution clubs, are a type of savings activity where the individuals contribute a fixed amount of money at agreed fixed intervals. The total contribution is assigned rotationally to each member of the group. The esusu's sole purpose is to help the poor with a lump sum of money at times of need or to pay off borrowed money. The group members usually do not hold regular meetings and the length of intervals vary from group to group. Most esusu end at the completion of a cycle and those that delayed their contributions are regarded as risky members. There are no gains or losses if all members pay their money. In subsequent esusu, risky members are often excluded from membership.

6.3.6 The Money Lenders

Moneylenders are often given different names in the community where they operate such as the rural and urban areas. They make their gains in most cases from trading within the neighbourhoods. The moneylenders' funds are mostly self-owned as they do not borrow from banks, each other, or other small sized financial institutions. However, some may receive help through temporary deposits from friends, relatives, or loyal clients.

The moneylenders are not the preferred option and ranked low in the pecking order due to the excessive exploitation of the rural poor through high interest rates. However, they are considered to create a monopoly and the high interest rate could be justified by the fear of high default rates (Rallens and Ghazanfar, 2006).

6.3.7 The Rotating Savings and Credit Associations (ROSCAs)

The ROSCA is the savings system where members contribute the same amount of money for an agreed period, weekly, fortnightly, monthly or tied to seasonal cash flow cycles especially in agricultural communities. The whole sum of money contributed is given to a member at each period of contribution. The exercise is done on a rotational basis until the end of the period when all the members have contributed and collected (Rallen and Ghazanfar, 2006). This type of contribution is called stokvels in South Africa and the members have a constitution that dictates the terms of the rotation and the sums of money. Any member that receives their total sum of money would organise a party that the public pays to attend. The losses or gains on such parties would be borne by that member. Mosley and Rock (2004) observe that stokvels support subsistence living rather than investment purposes. In addition, ROSCA is not flexible as members' contribution money is tied up until their turn to collect the total sum of money (Helms, 2006). This could be risky when members who have received their total sum of money fail to continue in the membership and they do not provide emergency loans to help a member if the need arises before the collection time.

6.4 The Government Role and Financial Regulatory

The financial system in Nigeria consists of two main categories, the formal and informal systems. The formal financial system consists of capital market, non-deposit financial institutions, and specialised development banks.

The informal financial system consists of the moneylenders, the thrifts, and cooperative societies and exchanges of credits within families and between friends. The traditional informal system helps the poor to access loans from friends, relatives, or property owners. The loans from friends and family have limited flexibility and the fear of loss of dignity within communities (Helms, 2006).

6.5 The Service Providers and Structure

The most populous country in African is Nigeria with an estimated population of 203, 452,505 (CIA, 2018). Microfinance practices have increased significantly in the Nigerian financial system. The CBN licensed many individual moneylenders, credit unions, financial cooperatives, building societies, and MFB.

The Microvis Microfinance Bank and Macrod microfinance banks were licensed by the CBN and are the financial services providers selected for this study. Microvis is a major Microfinance Bank in the city of Kaduna, which was the former capital of the Northern region of Nigeria, was licensed by the CBN (Microvis Microfinance Bank, 2016). According to the 2009 World Bank survey, Kaduna indigenes have high access to credit and entrepreneurship practices in Northern Nigeria (Larossi, Mousley and Radwan, 2009). In addition, Kaduna has 49% of its micro-firms owned by women (Larossi, Mousley and Radwan, 2009).

The objectives of Microvis Microfinance Bank limited are value creation within the small business sector, which are first, t*o carry out the business of microfinance banking by providing services to micro, small and medium enterprises (MSME) formal and informal self-help groups, individuals, cooperative, associations and low-income groups in Nigeria irrespective of health or status*." Second, *to provide credit to* *customers especially small and medium enterprises, low-income earners and to ensure loans are available to the beneficiaries*. Third, *to render business advisory managerial, marketing, technical and administrative support, and non-banking financial services to customers.*

And finally, *to encourage a savings culture to ensure sustainability in business as a tool to aid poverty alleviation and wealth creation in Nigeria*. (Microvis, 2016). The provisions of loans to the women borrowers were done through a well-defined procedure. The branch offices visited have uniform standards for giving out loans. This often means the women avoid moving from one branch to another when they are refused loans.

According to interviewee: WB-MIR-002

In the first orientation programme, we asked to follow the standard for the procedures in our loan application. Moreover, that we might be declined loan if we move from branch to branch to beg the microfinance loans officers.

Interviewee LO-MIU-005 supported this:

We use standard procedure to prevent the borrowers from moving from one branch to the other. This gives us ample time to focus on our business and give excellent service to our customers both new and existing.

According to an interviewee LO-MIR-004:

We operate to create a leading microfinance bank defined by excellence and create values to all our stakeholders. Through our various offers, that differs from other MFIs. We mostly target women because they are more market oriented and less a risk taker than men.

The second service provider used for the study was Macrod Microfinance Bank. The MFI was registered by the CBN in 2007 and licensed in 2011 to provide financial services to the rural and semi-urban areas with their head office at Ughelli and a busy office at Abraka. According to interviewee LO-MAU-008,

“We focus on developing the rural areas and seek government support to continue in improving the economic lives of the people. We have done some research that if we continue to financial empowers the women, more children will go to school, the rate of crime will be reduced, and the family unit would be strengthened in a positive way.

The two MFIs provide financial and non- financial services to their customers.

The members of their staff consist of mainly young graduates. The recruitment team does not hire primary or secondary school leavers for the positions of loan officers. The loan officers have a minimum graduate qualification to drive the strategic management objectives of the MFIs. Some members of their staff have worked with commercial banks therefore, they are competent in carrying out financial services to their clients.

The recruitment follows a strict merit-based selection process of staff by screening through tests and interviews to ensure the quality of their staff. The staff, especially the loan officers, are trained with various customer facing scenarios with cars and driver facilities. This enables a coverage of the service user’s business premises for inspection. According to an interviewee LO-MIR-002:

“All our members of staff know how to engage the loan beneficiaries in a meaningful way to ensure loan default rates are reduced”. The officers of the bank visits us regularly, which provide us with confidence. When we need advice, they are always there for us and they can also help us with other customers that are in the area of our business so that we can benefit from them.

The MFIs are gradually moving from group lending to individual lending due to difficulties in forming groups and poor recovery rates. The group model is designed for groups with a minimum of 5 individuals. However, relevant studies suggest that flaws may exist in group lending practices. Therefore, the practice is often abused due to problems of multi-borrowing, clients using more than one microfinance providers at one time, the use of multi-borrowed loans for other purposes and a weak monitoring process by the microfinance providers (Mpogole *et al.*, 2012). The lack of a central database for the micro finance institution that will help to create a credit scoring system and identify those with multiple forms of credit, is a potential financial management risk within the central system.

The use of the individual lending process has contributed to a positive business outlook for Microvis Microfinance Limited. According to an interviewee LO-MIU-006:

“Moving from group to individual has accorded some success in the current climate of doing business, it is better to identify individuals who are ready to do business immediately compared to dealing with groups where some of the members might need the loans for other purposes”.

On the other hand, the Macrod Microfinance Bank limited have had issues with the adopted group lending strategy. According to interviewee LO-MAR-001:

"*The Grameen group lending options makes group members more socially and financially responsible. Though, our clients are reporting challenges in forming groups*. We have some groups where their members have relocated to other areas and communications seems difficult."

One of the viewpoints of the MFIs, is that the women borrowers will not succeed without the support of their husbands or members of their families. Therefore, family members are made aware of the loan and sometimes a family member could guarantee the repayment of the loan. The credits given in a woman borrowers' name would sometimes make it difficult for the loan to be used by her husband or other family members. However, if a woman fails to use the loan for her own business, when she was involved in the loan approval process to the loan disbursement. The loan officer will intervene to ensure the proper involvement of the woman and usage of the credit in the business activities.

The concept of developing the role of the female gender in the household decision making is supported by the MFIs as loans are considered to empower the woman as well as ensuring support from her husband and other family members. The use of the MFI loans helps to strengthen the household family unit.

The Microvis Microfinance institution provides loans for both existing and new businesses.

When a loan is provided to an inexperienced woman borrower, the business office arranges awareness training for the client. There are many support mechanisms such as programmes to provide business networks for the prospective female client. Some of the information provided includes, which type of business is profitable with regards to the specific locality and economic and social conditions of the area. According to interviewee LO-MIU-008:

"Most individual do not trust new businesses therefore we link them to our customers to provide guarantee and trust to build on. We regularly give advice to our customers because we know that if they succeed, we will be able to get repayment in good time".

The women borrowers supported the views of the loan officers. Some of the customers agreed that both new and existing members are given information on available opportunities. According to interviewee WB-MIR-001:

"*We are really very happy with the services of this microfinance as they give us information that helps promote our business. If we have difficulties with selling our products, they link us up with some clients that could provide help, which is very helpful especially when it is very difficult to do business in the country*".

Microvis Microfinance Limited has both individual savings and group savings. The savings accounts help both the individual and groups to save money from the profits of their businesses. This is one of their core objectives, to encourage a savings culture within the area to ensure sustainability in business that helps to alleviate poverty and create wealth creation. This encourages the female borrowers to save regularly, and they may not need a loan for running their businesses with the improved saving habits.

6.6 The Screening and Monitoring of Clients

One of the main responsibilities of the MFI loan officers is to market potential clients in their catchment area to generate income for the business office. The process usually involves a team marketing strategy through providing information to the residents within the vicinity. Sometimes the loan officers use a door-to-door marketing strategy or use loudspeakers to market their products during social gatherings; they speak with the residents, provide pamphlets, and welcome queries on the products. They also involve existing clients in marketing potential ones.

Whenever a new client applies for a loan, the loan officer confirms the details by visiting the client's house and the business location. The branch manager, in all cases, visits the women borrowers to affirm support from the service provider, which completes the screening process.

The processing time for the loan disbursement depends on the fulfilment of the requirements of the service provider by the group members. Most of the requirements request a guarantor or that all the group members sign a guarantee form. Once the documents have been signed, each member become morally as well as financially responsible for one another. This means that if a member fails to pay the instalment, all the other members are responsible to pay on her behalf. The trust within groups of members is one of the reasons that group lending is successful.

The monthly meetings organised by the leaders address important matters regarding the proper usage of loans, the payment of instalments promptly, networks and mentoring. The borrowers are often fined if they are absent for more than two consecutive meetings.

Marr, (2002) observes that, the reliance on joint liability under a group loan scheme, is gradually being replaced with individual collateral or the borrower providing a guarantor who would repay the microfinance loan if there were a default. Therefore, the MFIs are practising the use of an individual guarantee, thereby having new members form groups with individual liability.

The implication is that some potential customers without tangible collateral to offer or personal guarantors, are likely to be excluded from benefiting from the financial services providers. There is little or no literature which mainly focuses on the individual-based guarantees in the case of the microfinance clients' respondents. However, the Quidt *et al.*, (2016) study, recognised the group liability-lending model where the group members are jointly liable for any unpaid debt by a member. The group lending scheme provides the clients the opportunity to access microfinance credits under a collective capability and this finding is supported by reviewed literature (Armendáriz and Morduch, 2010).

The peer selection process could exclude potential customers who are deemed by the existing members of a group as not suitable to join their group. However, there was no overt evidence of potential members exclusion in the case of the clients of the two MFIs considered in this study. In addition, such members who were struggling to find an existing group to join, were encouraged by the microfinance institution to seek agreeable members to form a new group with. Thus, this could portend the risk of exposure to the moral hazard problem due to insufficient information regarding the members. However, the option of individual guarantees under the group lending mechanism offered by the MFIs often mitigates the risk (Quidt *et al.*, 2016).

6.7 The Lending Strategies of the Microfinance Service Providers

The Microfinance services providers often employ the group lending strategy to reduce the costs of processing several small loan applications and to minimise default rates (Rupnawar and Kharat, 2014).

One of the positive outcomes of microfinance is the use of the group lending model to provide financial services to the financially excluded. Therefore, the group lending model is an innovative method employed by MFIs to offer loans to the poor who have no assets to provide as collateral. Armendáriz and Morduch (2010) argue that group lending is an arrangement made by groups to obtain loans from lenders.

The Grameen Bank in Bangladesh firstly adopted the group lending model to improve the repayment of loans. The participants usually form a group of about 5-20 people and agree with the lender to take a joint loan and agree joint liability to repay the loans. The joint liability means that until all the loan's repayment agreements are fully made, each member of the group is considered liable for the outstanding loan. Therefore, in the case of a member defaulting, the other members are also considered as loan defaulters and would lose credibility and access to future loans from the MFI.

The adoption of joint liability mitigates the following challenges; *first*, adverse selection: the chances of choosing a risky customer. *Second,* moral hazards: the difficulties in monitoring borrowers' behaviour after a credit has been advanced. *Third,* costly audits that focus on the costs of assessing the actual business projects and assets that could be seized to compensate for the debt if there is a refusal or failure to repay the loan and interest. *Fourth*, the enforcement strategy focuses on the process of enforcing recovery if a particular borrower is reluctant to pay.

The information asymmetry in the financial services sector, is a major challenge in ascertaining the potential credit risk of a borrower. However, the group lending model aims to access direct information on borrowers that could eliminate risky borrowers and reduce the problems associated with adverse selection as members seek out safe borrowers from risky members (Ghatak and Guinnane, 1999). The group members often have local information on safe or risky members.

In addition, the moral hazard challenges could be reduced as they rely on the members' network and information on group monitoring that affects the behaviour of joint borrowers (Conning, 1996). Furthermore, the auditing costs will be minimal as each member in a group could take responsibility in assessing borrower's assets, which could be seized to compensate for loan repayments. The use of progressive lending and frequent repayment cycles reduces the risk of default. The borrowers' loan sizes increase on the satisfactory repayment of an initial small loan. The lender screens and supports borrowers. The female borrowers that comply with the rules are compensated with streams of additional loans and those clients that default will have threats to terminate future loans based on their credibility.

The prevailing high repayment rate in the group lending model is attributed to a robust relationship as the members whose projects have higher returns could offset a member whose project has performed worse. Therefore, their net repayment position will be positive for the group (Besley and Coate,1995). Additionally, social integration and social sanctions as opposed to financial sanctions can be imposed on defaulters (Stigligtz, 1990; Guha and Gupta, 2005; Ghatak, 1999). In most cases, the group members often agree to impose graduated sanctions that include minor punishments to more severe punishments for inveterate members involved in re-occurring lapses (Ostrom, 1990).

The success of the Grameen Bank is often attributable to the group lending model (Sengupta and Aubuchon 2008). The group lending participants often have regular meetings to review members' financial positions in terms of those in good standing and those in difficulties. However, profound challenges exist in the implementation of the joint liability model; for example, the possibility of free riders could occur if the group becomes large and only a very few committed members continually bailout the risky members. Furthermore, if borrowers care less about future credits, they could have multiple defaults that could weaken the stability and subsequently cause the collapse of the group, especially if their social ties are weak. The implementation of social sanctions is effective in rural areas but may be less useful in urban areas where borrowers could be itinerants that can resettle easily in various locations. Therefore, borrowers in group lending models could remain anonymous in urban areas.

Another challenge for service users is the difficulty in starting a new group. The time spent in convincing potential members could be enormous. The individual lending procedures do not seek approval from the other members or accommodating behaviours to choose members as opposed to group lending. The monitoring of group members in a closely-knit community, could be easier compared to an urban community that is much larger than a rural area. In urban areas, distance could be a major factor in the choice of meeting venue and the frequency of meetings and this would be a challenge.

Midajewicz (2004) argues that loan sizes are limited by the group's ability to guarantee such loans. The wealthier clients could be worse off in joint lending models where most of their members are poor. Therefore, such groups will be unsustainable, as the wealthier members will exit to form groups with those having similar levels of income.

The microfinance financial institutions found that monitoring the use of credit is a major constraint to lending to the poor (Sriram, 2005). Thus, the group lending model was introduced to mitigate information asymmetry and adverse selection. The risks are transferred to the poor borrowers who act as guarantors to each other due to lack of collateral (Armendáriz de Aghion, 1999; Besley and Coate, 1995). Additionally, the model encourages peer pressure to repay the loan on time, to monitor the activities of other members in the group, and to form groups based on those considered to be responsible associates (Besley and Coate, 1995; Conning, 1999; Ghatak, 2000; Sinn, 2013; Stiglitz, 1990).

Giné and Karlan (Giné and Karlan, 2009) used evidence on the study of Philippine microcredit lending groups to prove that under individual liability schemes, client liability did not change, client retention improved, and there was an increase in new clients. Armendáriz and Morduch, 2010 argue that group lending is the leading approach that helps the financially excluded to access microloans. The loan provider asks the service users about how they will form their respective group members in order to access the microfinance loans. On the other hand, a few studies have argued that a self-selection strategy often exclude the very poor who are perceived by other prospective members as risky in relation to loan repayment (Attanasio *et al.*, 2011; Hulme and Mosley, 1996).

The group lending model was criticised on the grounds that such a strategy could worsen the plight of poor borrowers in the credit market due to the penalties on default such as, social stigma and harsh financial punishment (Armendáriz de Aghion and Morduch, 2005; Montgomery, 1996; Rallens and Ghazanfar, 2006). Furthermore, Besley and Coate (1995) argue that group lending could breakdown under stress because a number of defaults may lead to a tipping point and strategic default.

However, a group lending approach that has been successful in most parts of the world, may be ineffective in others (Kodongo and Kendi, 2013). Madichie and Nkamnebe (2010) state that the group lending model might not be effective in Sub-Saharan Africa due to differences in the economic and social backgrounds of the borrowers. In some communities, certain individuals or groups are ignored and excluded from normal societal functions such that meaningful co-existence is thwarted (William, 2007).

6.8 The Service Users' Perspectives

Chapter 1 presents the research problem and the rationale for the study. The aim of this study is to develop a model to evaluate the contribution of microfinance to enterprise, access to finance and to increase women's empowerment within Nigeria. The objectives are first, "*to identify the factors and consequences of financial exclusion among rural and urban entrepreneurial women". Second, "to analyse the critical issues that link microfinance practices and poverty alleviation at large and in the case of Nigeria in particular". Third, "to critically assess the empirical survey data obtained from rural and urban microfinance institutions (MFIs) in Nigeria, to review women's participation in microfinance and to develop policy recommendations for practitioners, sponsoring organisations and respective governments" Fourth, "to develop a conceptual framework that examines the relationship between microfinance and the economic empowerment of entrepreneurial women in Nigeria.*

The method used to gather qualitative data is consistent with other researchers in the field (Fatawu, 2018; Salia, 2015; Owolabi, 2015; Yeboah, 2010) as they utilised the inductive approach to gather qualitative data from both the service providers and the users in relation to the impact of microfinance services in two countries, Nigeria, and Ghana.

6.8.1 The Access to Finance

Those women who are considered to be poor often lacks the motivation to develop as entrepreneurs. This could lead to a continuous vicious circle of poverty as they are financially excluded by the system. However, they gain confidence through contact with relations, neighbours and friends who often encourage them to get involved in income generating activities. When they are eventually involved in the group lending schemes, the woman cheerleaders often visit the potential group members' households to give the women insights into the process of a group and the benefits of having loans from the micro finance institutions. This often gets the members to start thinking about establishing small business for themselves such as the buying and selling of food items or services. According to interviewee WB-MAR-002.

"I was thinking of what I need to do to support my family and a friend came to my house to discuss about joining a group that will get loans from an MFI, which is better than getting loans from the bank that is really very difficult"

The MFIs help the women borrowers to access credits that could enable financial inclusion and move them further away from poverty. Some of the women gave reasons for engaging with the MFI in their local areas, such as easy access, friendly female loan officers, the amount of the loans is small and easy to repay in small instalments. According to WB-MIR-007

“*The female officer that usually come around to check on me, my family and the business and was very friendly and always encouraged me to keep small savings to pay back the loan in instalments*”*.*

Some of the women also shared their experience in the “esusu” system which was not as good as the loan they had from the micro finance institution as the members contribute and pool their resources together and each member collects the total contribution on each meeting day. Conversely, microfinance credit is received by all members of a group in advance. The lump sum amount received by members is repaid with a small amount of interest within during the year. Most loan beneficiaries agreed that the use of a micro finance loan is better than esusu. The interviewee WB-MAR-006 stated that,

I had a bad experience during my previous “esusu” contribution as I requested to collect my turn early to pay for my child hospital bills. It was declined and I had to continue paying the monthly contribution. To pay the hospital bill, I sold some of my personal items without help from the group members.”

A few of the women borrowers are aware that there is no central data base for the microfinance institutions. A quarter of the respondents use more than one MFI during the period of the survey. At any period, the women borrowers use multiple loans to support the business. According to interviewee WB-MIU-011,

When I started my business, I have so many responsibilities regarding my family. One of my own group members confide in me that I could ask for additional credit from other MFIs. I was successful and use the money to restock my shop.

Amongst the objectives of the MFI is to provide loans to the beneficiaries to be used in their business for improving the profit of the business. However, the empirical evidence from some studies in relation to the beneficiary use of their loans, revealed that few borrowers divert the credits to other purposes which are not stated in the use of the loans during the application stage (Alhassan and Akudugu, 2012; Al Mamum *et al.*, 2010). On the other hand, some of the MFIs encourage multiple borrowers due to competition from other service providers (Armendáriz de Aghion and Morduch (2005); Hermes and Lensink (2007). The MFI identifies their clients with a good repayment history and offers incentives to disburse credits to their friends and family. As high targets are given to the loan officers, they use all available contacts within their families and neighbourhoods. The women borrowers continue to repay the loan by instalments due to fear of reprisal from members and the micro finance banks. Brett (2006) observed the high repayment rates among women borrowers. The clients also commented that the micro finance banks usually come to their aid during a crisis. There was a time when the Kaduna markets were burnt down and most of the traders in the market lost their goods. According to interviewee WB-MIU-013,

"When the market where I was trading got burnt, all my stock in the shop was gone and nothing was left. I thought of running away from the city, sympathisers and my group members were coming to see me regularly. Surprisingly, when the manager of the branch and some loan officers came to my house, they offered to help me to restock my stuff an gave me additional loan to restart my business. I got a loan holiday and I felt supported during the time of crisis."

In some cases, a few female borrowers of the MFIs have difficulty in sourcing for loans due to poor repayment record (Gomez and Santor, 2008). Brett (2006) observed that Bolivian women borrowers depend on microcredit as the main source of credit for women. The difficulty in meeting the commercial bank requirements is a main factor. According to Gobbi, *et al.* (2005) the poor often face difficulty in filling out bank loan application forms due to illiteracy. Hussain and Matlay (2007) found out that the black ethnic minority groups small business owners in the UK do not consider using commercial bank loans in their start up stages. However, the risks associated with lending small money to women borrowers is high due to the presence of asymmetric information, adverse selection, moral hazard, the low returns, lack of precise information about them and the inability to provide adequate collaterals (Abiola, 2011).

Most of the respondents had had no formal training in accessing bank loans and have little or no knowledge of bank processes or the procedures to be followed for access to loans. In addition, the majority of the borrowers do not have collateral, financial trails of doing business or bank guarantors. According to interviewee WB-MAR-010,

"I have a small business and I do not need a bank loan as the requirement is too difficult to meet. I do not have any property to provide as collateral. I do not see any benefit from taking additional loans as I am not thinking of expanding my shop."

6.8.2 The Women Enterprise

In many developing economies, entrepreneurship is important for economic growth. However, relationships exist between the entrepreneurship levels and economic growth in both developing and developed economies. Casson (2003) made available a list of essential qualities entrepreneurs require for decision making because entrepreneurial skills are hard to measure (Armendáriz de Aghion and Morduch, 2005). Among the qualities listed are self-knowledge, imagination, practical knowledge, and analytical ability to formulate decisions for solving problems, foresight and search skills for data gathering, and computational and communication skills for the execution of the decision. Therefore, entrepreneurship is vital in developing strategies for economic growth especially in poorer economies (Birley, 1989). Dhameja (2004) observes that women in households live their lives like entrepreneurs as they survive on limited resources and use skills to form useful things especially from materials regarded as waste. Accordingly, Dhameja (2004) refers to a woman in the house as an entrepreneur as she helps the family to survive on limited resources. The traditional female gender role expectation in many developing countries such as Nigeria, makes entrepreneurship a difficult task for women (Sinha, 2005). However, entrepreneurship appeals to women because of the flexibility in working hours which creates the possibility to meet the responsibilities of home and work (Orhan and Scott, 2001).

The success of female entrepreneurship also depends on the culture of the community (Abraham and Balogun, 2012a; Kaiser *et al.*, 2014). The practice of entrepreneurship and the various strategies used in the entrepreneurial process have evolved both in developing and developed countries (Birley, 1989). Despite the contribution of entrepreneurship to society, entrepreneurship was only recognised as an important part in the development of society in the 18th century (Matlay, 2005).

Some researchers consider the importance of inspiring female entrepreneurs to set up and run new microenterprises as men would do. The women entrepreneurs play an important role in the economic development of society. According to the World Bank report (1994), women can improve the economic growth of any country if they are economically active. There has been increased attention here since the growing numbers of female owned businesses and a focus on their enterprise and economic activities (Matlay and Martin, 2009).

The concept of entrepreneurship is still in the infancy stage in developing and transitional economies (Carter and Shaw, 2006; Jalbert, 2000). The acceptance of female entrepreneurs in developed economies is gradually being replicated in developing economies. However, the level of entrepreneurial activities varies between male and female participants in developing and developed countries due to culture, and customs. According to Birley (1989), women's choices of entrepreneurial activity are constrained by societal and cultural conditions. The push and pull factors for developing and developed economies differs. Culture and family conditions play an important role in developing a country's entrepreneurial development. The other barriers such as societal expectations of gender roles, make enterprise start up difficult for women (Sinha, 2005).

In developed economies, training and education are vital for women and entrepreneurial development (Matlay, 2008) whereas, in the developing economies, education is less important than family support (Sinha, 2005). The female gender often prefers to start up business in low growth retail and service industries (Anna *et al.*, 2000). However, this is applicable to women in developing countries as they participate in consumer-oriented industries (GEM, 2007) while the females in developed economies are prevalent in extractive and transformative industries, and the business services sector (GEM, 2007).

The female gender could effectively contribute to social and economic activities through entrepreneurship. This is an important step to create economic growth and to improve the family's quality of life and wellbeing. Additionally, it could be a solution to the traditional role of women providing unpaid services and the barrier to formal employment (Goffee and Scase, 1982). It is not very clear what internal and external motivational factors are likely to drive women into entrepreneurship. However, a number of needs such as the freedom to associate, desire for wealth and autonomy could play a role (Lowe and Marriott, 2006; Orhan and Scott, 2001).

The flexibility associated with being an entrepreneur and being able to meet family responsibilities could be a significant pull factor. Orhan and Scott (2001) found that the flexibility of self-enterprise affords women the ability to meet and balance job responsibilities and family responsibilities (Minniti, 2003). The female entrepreneurs in both developed and developing countries, face numerous challenges during start up and managing an enterprise, such as lack of skills, limited access to capital and landed properties due to asset ownership being male dominated (Roomi, 2005). However, the burden is more on the female entrepreneurs in developing economies as women in developed economies have more support networks from government and donor agencies. It was perceived that most women borrowers face barriers to enterprise development and often focus on less profitable sectors, which are not attractive to lenders. Constantinidis, *et al.* (2006). However, the push factors and success depend on the entrepreneur's level of education, work experience, social networks and available credits (Shane, 2003).

The female respondents surveyed in both the rural and urban areas, are mostly involved in the retail sector of buying, selling of small goods and in the service sectors. The use of sewing machines to produce clothes is very popular in the rural areas. Respondent WB-MAR-004 explains this clearly,

"I got my first loan after graduating from my mistress sewing business. I decided to set up my own sewing business with help from family and friends, but the money was not enough. It was easy getting loan from the MFI.I now have three apprentices working for me and my business is successful. I look forward to expanding the business."

According to Roomi (2005), women business owners like to engage in small businesses that revolve around females only. In addition, cultural and social demands limit most women from working in the business of their choice. According to the World Bank (1996), women play an essential and dynamic role in societal economic life but they remain mostly disadvantaged due to regulatory and cultural structural barriers. Widowed or divorced women are more entrepreneurial compared to single or married women as women with young children have little or no support from family members when raising their offspring. This could be partly due to more financial responsibilities for the women raising children especially an unmarried woman in a male dominated community. Some of the women agreed that the money borrowed from the MFIs improved their livelihood through enterprise. According to WB-MAR-008,

"I dropped out from school and my family members did not help me during the difficult years. One of my friends gave me a used sewing machine to mend people

cloths within my area. I was able to receive the MFI loan and I am now doing well in the sewing business."

According to Shane (2003), entrepreneurs create opportunities for those who could identify them to start up a microbusiness or improve the businesses and subsequently their welfare. On another point, Morris and Barnes, (2005) agree that the practice of microfinance results in sales and volume increase of businesses. The female respondents have lower operational costs due to support available within the local area and able to learn the business skills due to networking using the MFIs.

6.8.3 The Women Empowerment

The empowerment of women is often associated with entrepreneurial ability (Vijayalakshmi and Prajeetha, 2008). However, empowerment includes social economic, political, and other skills in capacity building. About 30% have doubts as to whether micro finance has empowered them. The remaining 70% of the women respondents feel that they have been empowered by the loan received from the micro finance institutions. This is supported by WB-MAR-003,

"I was not having enough money to buy our needs for myself and the family but after the loan from the micro finance, I felt empowered to buy something for my family, talk to my husband and other members of the family including to other women in the business."

The microfinance institution also organises training for the female borrowers. This also increases their knowledge in taking business decisions regarding sales, purchases and the use of labour. The societal expectations of women and cultural factors limit the political empowerment. According to WB-MIR-004,

"Each time some of my family member visits our home, they often talk to my husband separately and I feel they are telling him that I am becoming more powerful in the house. I must respect my husband and allow him to take some decisions. "

Kim *et al.*'s (2007) study in South Africa and Swain and Wallentin's (2007) findings in India, reported the positive impact of microfinance on female empowerment. However, Goetz and Gupta (1996), argue that microfinance has done little to change the status of women (Banerjee *et al.* 2013:34) within the household as men still have the control over the household's income and can misuse the available credit. Furthermore, credit granted only to women and not to men could increase the exploitation of women within the household. Kabeer (2001) suggests that the different methodologies and different questions asked in studies, could contribute to the differences in the outcomes of female empowerment empirical studies. The MFI helps in women's empowerment through regularly organising awareness programmes to market their products especially during local government elections. Some of the loan officers inform the women borrowers to obtain National Identity cards as this is a requirement for local government votes. This affects the empowerment of women both socially and politically. In some of the rallies organised by the politicians, the women leaders were invited to speak. This increases their business network within the local areas. The access to microfinance credit contributes to women's empowerment as the women service users appeared to have experienced positive effects socially, economically, and politically after benefiting from microfinance (Ledgerwood, 1999; Moreno, 2010). However, some empirical evidence showed that some male heads often take money from the women beneficiaries (Mahmood, 2013); this could impact on the poverty reduction objective of microfinance practices. The running of a business supports the empowerment of women through the making of various decisions for the survival of the business. In addition, the group lending method develops leadership abilities and improves the strategic management qualities of the women leaders. Chowdhury, however, (2008) observes that the practices of microfinance do not support women's entrepreneurship. In addition, Goetz and Gupta (1996) agree that microfinance does not change the status of women. On the other hand, Kim *et al.* (2007) and Swain and Wallentin's (2007), argue that microfinance has a positive impact on female empowerment. The female entrepreneurs, through microfinance practices, prefer to contribute to the household income because of the flexibility in working hours which creates possibilities to meet both the responsibilities of home and work (Orhan and Scott, 2001). The members' group meetings help to build and increase confidence within the members. According to WB-MAR-007,

"We always look for ways to our member's problems. This gives us the belief and confidence to depend on one another and the general welfare of the group. I freely discuss my family problems with the other group members, and they are also happy to discuss theirs with me."

Some empirical evidence has shown that, access to microfinance by women service users lead to women's empowerment (Pitt *et al.*, 2006; Kulkarni, 2011). Moreover, the positive outcomes from the Grameen Bank evidenced the importance of empowering women (Moreno, 2010). The findings from the qualitative data analysis showed that, women who were targeted by the microfinance banks are empowered in business decisions and also in their relationship to their husband and others. This is consistent with the findings of Dzisi and Obeng, (2013); Armendáriz and Morduch, (2005); D'Espallier *et al.*, (2009).

6.8.4 The Family Wellbeing

The MFIs give loans to women entrepreneurs, which in most cases generates gains to be used within the family. The microfinance credit provides a platform and the desire to create wealth (Lowe and Marriott, 2006; Orhan and Scott, 2001), which improves the wellbeing of the family. Some researchers have the perception that female entrepreneurs' access to microfinance credit is more likely to lead to better developmental results because they are more inclined to use the profits from their enterprise to fulfil their family basic needs (Leach and Shashikhala, 2002; Pitt and Khandker, 1988).

The credits are used for many purposes other than for the income generating enterprises (Al Mamum *et al.*, 2010; Alhassan and Akudugu, 2012). The women use the credit to assist all their family members instead of focussing on self-use or for further profit generating businesses. Most women in developing economies take pride in the provision of food, good health, enriched nutrition and for quality education for their children.

The microfinance loan amount, if used in any income generating activity, will yield profit that is mostly used by women for the food, nutrition and health expenditures of the family, children's education and savings for future unseen circumstances. The uses of their savings for helping family members gives women satisfaction. According to respondent WB-MAR-009, *“At first, one of the group members helped me to pay for my child medical fees when my business was in the first week. After my situation seems to improve, I can now support my family and willing to help other group member too”.*

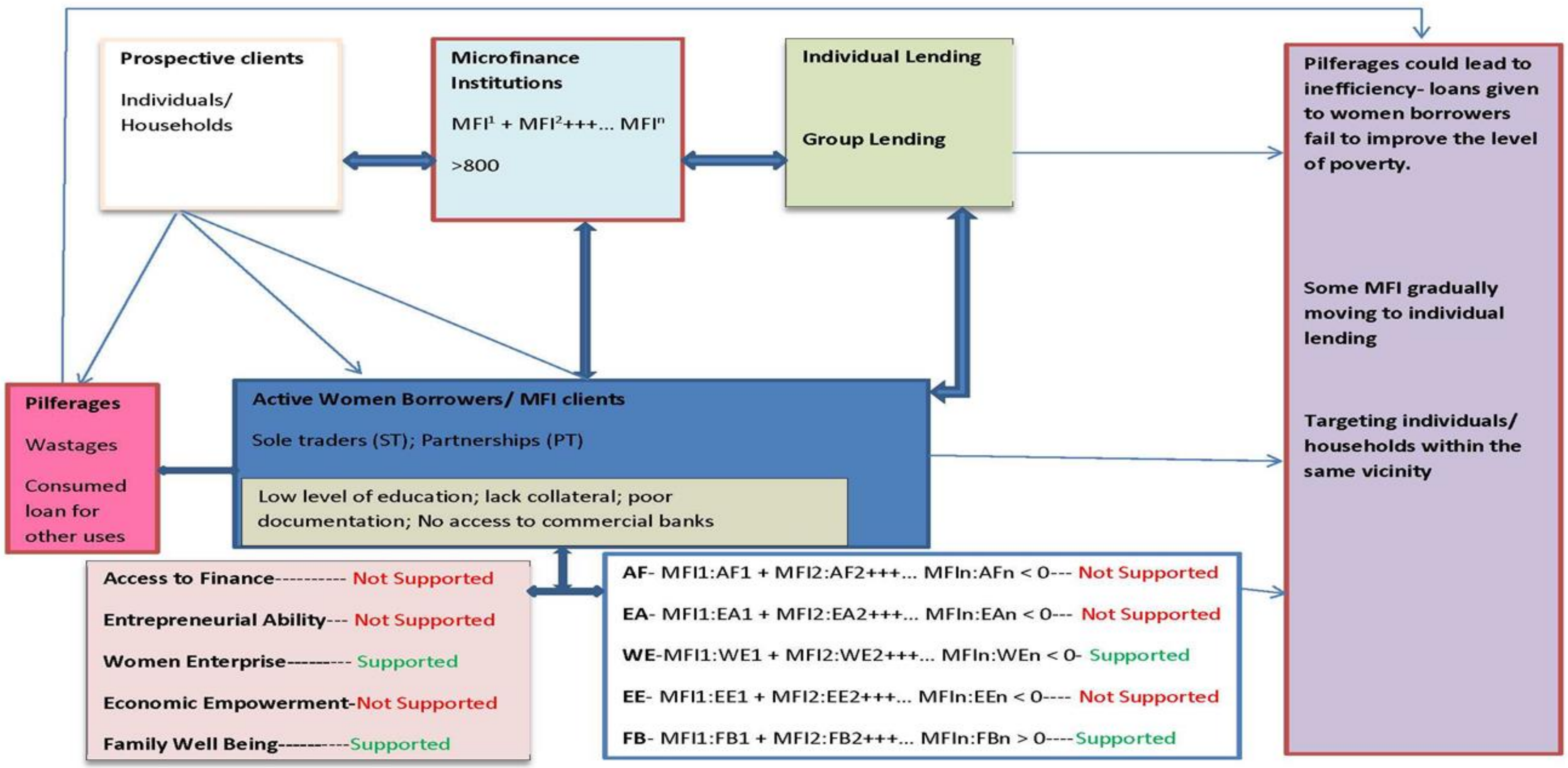
There is an increased interest among researchers regarding the role of microfinance in relation to the livelihood and wellbeing of women. Thus, in order to determine whether microfinance indeed benefitted or impacted on the wellbeing of the family, the perspective of the clients becomes important. Consistent with the quantitative data outcomes gathered from the service users, the results of the interview analysis indicated that, access to microfinance loans had a positive effect on the wellbeing of the family under the group lending mechanism. This finding is in line with Seddoh, (2014) who found a positive effect on the wellbeing of the microfinance clients and their families. The quantitative data analysis showed that, the microfinance loans are largely provided to the beneficiaries in a group. This thus suggests that potential clients are more likely to be excluded from benefiting in any financial services if they are unable to find a suitable group to join. In order to determine whether microfinance did indeed impact on the wellbeing of the service users’ families, the respondents were asked if access to microfinance loans led to an increase in their families’ wellbeing. The results of the qualitative data analysis showed that, microfinance had a positive effect on the following wellbeing aspects: children’s education, household consumption expenditure, household assets, household income, self-confidence and household savings. These results are supported by the outcomes of the quantitative data analysis collected from the respondents surveyed in this study. This is consistent with the Mammodu, (2013); Yeboah, (2010); Owolabi, (2015) studies that employed qualitative data techniques on microfinance service users and considered how the size of the loans affects further access to finance, develop enterprise and the wellbeing of their families. The result is also in line with the survey research by Ghalib, *et al.* (2012) on the welfare of households in various districts of the Punjab participating in a microfinance programme and other studies such as Copestake, *et al.* (2001), Mamun, *et al.* (2011) and Montgomery (2006). Microfinance also helps to reduce husband and wife conflicts which mostly arise from money problems. When a woman starts to earn and is able to take out a loan from a microfinance institution, she helps her husband by sharing the household expenses. This reduces the stress between the family members as respondent WB-MIR-006 narrates,

> *"In anything I do, my family comes first. Due to my participation and receiving loans from the microfinance institution, I have been able to help my husband in buying things in the house. My children used to watch television in our neighbours house, but I was able to buy a medium size television, which has made all members of the family happy."*

The wellbeing of the family is more important for most women compared to other factors such as economic empowerment and social and political awareness. The results of the qualitative data analysis showed that, microfinance had a positive effect on children's education, family health and created better relationship with husbands. All the interviewees narrated how they met the basic needs such as water, food, house, and health, which are considered important. This is supported by other researchers (Yeboah, 2010; Morduch, 2002; Hulme and Mosley, 1996; Fatawu, 2018) and comments by the loans officer LO-MAR-003.

“A*ll the women borrowers are generally very generous to their family. The bank is aware that they make repayments on the agreed contracts even when they use the gains from the business to the benefit of the entire family.”*

Figure 6.1 Echo Network System of Microfinance



6.10 Summary of the Chapter

The chapter explores the service users' perspectives and experiences with microfinance banks, their officers, and other service providers. The discussion focussed on assessing the impact of their relationship with the service providers. In addition, the section focussed on issues relating to the implementation of microfinance practices that have potent impacts on women borrowers in varied ways. The qualitative data obtained from the microfinance respondents were analysed and the outcome is consistent with the literature, as groups are formed based on peer selection.

There was no consensus on past studies that focussed on the relationship between microfinance practices and access to finance, entrepreneurship, enterprise, well-being, and empowerment. However, most of the researchers' outcomes show the positive benefits of microfinance beneficiaries. Duvendack *et al.* (2011) concluded that access to finance has a direct effect on family well-being, entrepreneurship, and women's empowerment. Microfinance is credited with empowering women in relation to their contribution towards the well-being of the household. Consistent with the literature, the microfinance loan was designed with the intention to help the financially excluded who are unable to provide collateral, so they can access loans with ease. The loans are largely used for starting a new or continuing an existing enterprise. However, in some instances, the loans are used for other household basic needs, this demonstrates the extent of the fungibility of money. All the service users claimed that the use of the loan contributed to an increase in their capability to meet household basic needs hence, impacting the well-being of the family; they were satisfied with how the loans were used.

Generally, regarding microfinance, the women borrowers were more concerned about having consistent and reliable income-generating enterprises capable of meeting their family needs. They take pride in supporting their husband by providing for household basic needs, buying assets, helping with their children's education, and the savings used to help other members of their family.

Moreover, the essential household needs that are considered a necessity by the respondents include portable drinking water, food, shelter, clothing for both parents and children, and the education of the children. The findings from the qualitative analysis showed that the respondents admitted that the increase in their capabilities, particularly at the household level, is deemed to be very important. That adds to the increased well-being of the family.

Finally, the conceptual framework shows the relationship between the practices of microfinance on active women borrowers. The result showed that enterprise and family well-being were supported. On the other hand, further access to commercial bank loans, entrepreneurial ability, and the economic empowerment of women were not supported. The statistical data analysis showed evidence of the positive impact of microfinance loans on enterprise development and the well-being of the family. The findings are consistent with other researchers in the field of microfinance.

Chapter Seven

7.0 Summary of Research Findings, Contributions, and Limitations.

7.1 Introduction

This chapter provides a summary of the findings and is organised into six main sections as follows, *first*; a review of the research problems and methods applied in the study. *Second*, the main significance of the findings; *third*; the contribution of the study; *fourth*; the policy implications of the study; *fifth*; the implications for further research and finally *sixth*; the limitations of the study and areas that require further research.

The thesis focussed on microfinance practices and their impact on women's empowerment and enterprises from the perspective of the various service users. The study reviewed the relevant literature on microfinance, designed questionnaires, and carried out surveys using the semi-structured interview to answer the research questions. The investigation focussed on the selected MFIs located in rural and urban communities in Nigeria where the researcher had extensive knowledge of the language, customs, and the means of livelihood.

7.2 The Summary of the Findings

This research collected quantitative and qualitative datasets from 305 questionnaires and 43 semi-structured interviews, respectively. The study addresses the main objectives that include the role of microfinance intervention in empowering women, reducing poverty, access to finance, family well-being and promoting enterprises. The data relating to the female users of the microfinance services was analysed through the formulation of a hypothesis, access to finance, entrepreneurial ability, the promotion of enterprise, economic empowerment and the wellbeing of the family. The binary logistic model results show that microfinance services have a positive effect on women's enterprises and well-being of the family. Another significant finding from the study, is that accessing further finance for women through microfinance practice, entrepreneurial ability, and economic empowerment of women were not supported. Some researchers have documented the practice of microfinance not supporting users to access further finance. Mahmood, 2013; Salia, 2015 and Hussain *et al.*, 2018 observe that the level of literacy of the microcredit users, information asymmetry and the lack of documentation required to an open account and the collateral which is required for credit in commercial banks could be responsible for the outcome.

7.3 The Significance of the Findings

The following findings were reached based on an analysis of the quantitative and qualitative data collected from the two MFIs. The objectives of this thesis were to assess the role of microfinance interventions and their implications for access to finance, women's economic empowerment, enterprise development, and the well-being of the family, from the perspective of the service users. This presents the significant findings of the research questions and acknowledges the contributions of the broader implications of the thesis.

7.3.1 How participation in microfinance intervention contributes to the development of women's entrepreneurship in Nigeria?

The question focussed on the borrower's participation in the microfinance programmes and how their activities contribute to the development of women's entrepreneurship in Nigeria. This research question is related to the development of women's entrepreneurship supported by microfinance intervention. This includes factors such as the demographics of the women borrowers, the use of microcredit by women borrowers, entrepreneurial training for women borrowers and women's active participation in the activities of their enterprises. Throughout the thesis, the service users and the service providers never engaged in during the design of the microfinance interventions. The implication is that the practices were not driven by the contributions of the service users and their social environment.

Most literature focuses on the microfinance practices that have proven to be successful such as the Grameen Bank in Asia. The circumstances of the service users' discussions with the services providers on the formulation of the intervention have not been explored by literature. The intentions of the MFIs and the reality of the users differs. The service users claimed that they formed their group based on well-known members, but that is not wholly true. There were instances where the loan officers helped in the formation of group members who had taken credits from other financial institutions. In another circumstances, the individuals of each branch asked prospective customers to put their names down for group formation. When the group number is reached, a group will be formed, and the name collection continued. The process meant that risky members were likely to be eliminated from the group sooner, which classifies the group as nonperforming. This makes the group's additional borrowing for the remaining members more difficult. The absence of a central data base also increases the risks of the group. As the self-selection process which helps in group cohesion and high repayment rates has been tampered with.

The non-financial services such as training on budgeting, record keeping, and general business management could help entrepreneurship. However, the frequency was irregular and the service users in most cases lacked interest. This came about due to non-involvement of the service users during the design stage.

The services users were observed to start or expand their businesses after availing themselves of the microfinance loans. The practices did not improve the employment of labour as they used mostly unpaid services from their relatives. Therefore, there was a negligible effect on local employment generation. However, the costs of doing business were reduced due to unpaid labour and buying in bulk during seasonal periods. For instance, the ends of year sales were favourable to the service users. Some of them, especially the food vendors, buy in bulk for storage before the month of December yearly and gains from inflated prices in products and services. Therefore, the practice of microfinance enables the women borrowers to buy inputs in greater quantities and to use unpaid labour from friends and dependants to reduce costs.

7.3.2 How participation in microfinance intervention increases the opportunity for women to access finance from commercial banks.

This research question relates to the lack of access to finance from formal financial institutions which is an obstacle to enterprise development, especially for women (Gobbi *et al.*, 2005). The microfinance sector could enhance credit history and increase opportunities for women borrowers to gain access to formal financial institutions. The findings suggest that the micro finance practices do not help the woman borrowers to access finance from the commercial banks.

The practice of the women borrowers having a financial trail with the microfinance institutions ought to have made them eligible to receive credit from commercial banks. The evidence from the literature does not support the assertion that the services users access loans from commercial banks. The factors that relate to this include, the perceptions of the commercial banks of the microfinance clients as low profile, as not having the assets to provide as collateral and lacking financial literacy. The training received by the women borrowers is inadequate for the documentation required for the commercial banks.

In reality, the loan officers have their targets and are not prepared to lose their loyal clients to other external loan providers. In addition, the women borrowers were not prepared to expand their businesses and were not interested in the burden of seeking for further credit from the commercial banks. The women borrowers used the loophole of lack of central databases to seek for multiple loans from many MFIs instead of receiving the commercial bank loan. This practice was widespread in the city of Kaduna. On the other hand, there was limited evidence on factors such as the MFI support and assistance given to women borrowers to expand their businesses and the training offered. The cost of the credit given to the services users was considered high compared to the orthodox financial services providers. The mode of repayment and the additional support from the services providers, are important in supporting the women borrowers. The loan officers disburse, monitor, and help with the business skills development of the services users. The guide to business success cannot be obtained through the commercial banks. However, the credit disbursement and instalment payments did not take into consideration the service users' economic conditions. The context of interventions ought to be aligned with the service users' expectations. The female borrowers' lack of knowledge throughout the implementation process, could have helped to lessen the pressure of repayment. For instance, when one of the women borrowers lost her stocks and other products during the market fire at the Kaduna main market. The service user did not know the steps to follow or what to do in a period of crisis.

The following factors could lead to the lack of knowledge of the services users, first, the women borrowers were mostly illiterate and lack financial literacy. Second, the will power to ask the provider questions is lacking. This might be due to cultural upbringing. And third, the service providers are not interested in providing the required information to the service users, it is not the norm.

7.3.3 How participation in microfinance intervention increases the wellbeing of female borrowers within the households?

The third research question relates to the wellbeing of the family. The ability of women borrowers to make financial decisions in their individual households was examined. The women borrowers were able to reduce their vulnerability and increase their consumption on their family. This is supported by the literature and provides insights into the benefits of microfinance in reducing family conflicts and the use of profits to meet the basic needs of the household. In addition, the decision making within the family and the business increases. The leaders in the groups, who were responsible for decision making, were more likely to have positive household outcomes. The experience of increased communication skills, meetings and shared experiences for the group members could help to explain this.

A few researchers observe that household assets accumulation is important to family well-being, especially in times of emergency. However, studies on the economic empowerment of women are limited (Goetz and Gupta, 1996; Mahmood, 2015). They observed that about 30% of the women borrowers had doubts about the microfinance empowerment. The remaining 70% of the female borrowers feel confident that the loan received from the microfinance institutions have empowered them. Another significant finding is the women's perception regarding the lack of family support. The cultural responsibilities of male dominated households often alienate most women. They regarded the empowerment of women within the household as a lack of respect by the women towards their husbands in the African communities.

7.4 The Contribution of the Study

The access to the quality participants within a socio-economic marginalised environment in SSA allows the study to produce the exploratory analysis with important considerations and contributions to knowledge. This study focuses on the urban area in Kaduna, which is an urban area in Northern Nigeria, and the rural area, Abraka in the Delta state in the southern part of Nigeria. This is a significant difference, as the study found that commercial banks often deny both urban and rural area borrowers' access to credits (Hernández-Trillo and Martínez-Gutiérrez, 2021; Aristei and Gallo, 2022; Beck et al., 2018). Other studies in Nigeria focus on poverty alleviation in either the northern or southern part of Nigeria"

First, the study triangulates two methods, which are a significant contribution in relation to the methodological approach by combining both qualitative and quantitative techniques for data collection and empirical analysis. The triangulation provides data that are more comprehensive, increases validity, and enhances understanding of the study. Existing studies have largely either used qualitative or quantitative methods to determine the relationship between microfinance and the well-being of the women's families and their entrepreneurial activities.

Second, the study has contributed significantly to the existing microfinance literature and knowledge through the development of a conceptual model; the Microfinance Echo Network (Figure, 6.1). This study is both original and relevant for the region where women's empowerment is lacking and their contribution to the GDP is behind that of other similar countries. To this extent, this work contributes to the reflection regarding the effectiveness of microfinance mechanisms in advancing their participants' economic and social development and to the field of women’s empowerment.

The study differs from other studies of women’s empowerment in Nigeria or elsewhere. Mamhood’s (2013) study concludes that microfinance practices play an important role in women in the Punjab of Pakistan. Furthermore, the role of microfinance in the empowerment of women within a Sub-Saharan African context is largely under-researched. The work completed includes the researcher’s publication “The Role of Microfinance to Empower Women: The Case of Developing Countries” which has contributed significantly to the body of literature relating to the role of microfinance on women’s empowerment. The investigation helps shape more effective public policies directed toward women's empowerment, essential for advancements in gender equality and, more in general human development capabilities.

7.5 The Policy Implications of the Study

The study examines and analyses the women borrowers’ diverse experiences concerning microfinance intermediations. The study advances the understanding of the importance of microfinance and attempts to proffer reasons why microfinance intervention in Nigeria is yet to achieve the desired outcome. The study can be promising for policymakers and practitioners to effectively support women empowerment and microfinance institutions. The research findings suggest the following policy implications.

- There is a need to formulate effective policies to strengthen the provision of microfinance services in Nigeria. The loans from MFIs increase the growth of the enterprise through sales, profit, and acquisition of assets. Therefore, it is important to strengthen the MFIs services to provide credits that will perform well for economic development, and by extension impact positively on the general economy (Liedholm and Mead, 2013; Carmody, 2020).

- The Nigerian government should review the development plans for microfinance loan financing in line with the global trends. The policies should focus on improving the chances of women entrepreneurs to access loans from commercial banks and consider a novel approach to counteract the constraints associated with discouraged borrowers. The Mano, *et al.*, (2012) study found that business training improves business performance (Haseeb et al., 2019).
- The central government should formulate an effective policy of data gathering that hampers the development of women's entrepreneurship in Nigeria. The viability of MFIs' capital to support their clients depends on their views on the provision of financial services, either as loans for business or as a grant from charity (Armendáriz and Szafarz, 2011). The provision of loans to female borrowers will boost the business enabling environment which is lacking in Nigeria.
- The increase in microfinance activities in Nigeria will generate a higher level of growth in the economy. Furthermore, the government and policymakers should focus on the operations of microfinance banks in Nigeria to service the poor in society who engage in micro and small businesses and to improve their capacity (Eigbiremolen and Anaduaka, 2014).

- Policymakers should provide effective training and educational programmes and campaigns on the potential of growing the micro-businesses into SMEs. This is because the focus of the women borrowers is to support the immediate family and have no desire to grow their businesses.
- The MFIs should initiate adequate and proper training for their clients as there was more evidence of the economic empowerment of women in urban areas than in rural areas.
- No central database on the women borrowers, which could lead to accessing multiple loans from different MFIs. The CBN should formulate policies that will reward prudent borrowers and discourage risky borrowers.

7.6 The Implications of the Study for Further Research

The quantitative and qualitative data used for this research were collected from Kaduna and Abraka in Nigeria. Kaduna is a northern Nigerian metropolitan city with many small business and microenterprises. Microfinance practices in Kaduna are widespread and constitute a major source of loans for small and microbusinesses in Nigeria. On the other hand, Abraka is a modern rural area in the southern part of Nigeria. The construction of a link road to some major cities increased the population of microenterprises. McIntosh, (2008) observes that the impact of microfinance programmes differs depending on the location or the activities the beneficiaries are engaged in. Therefore, it will be important to conduct similar studies in the western and eastern parts of Nigeria to determine the impact of microfinance practices in these different contexts. In addition, a research collaboration between academics and industry would produce an in-depth study relevant in the present Covid-19 era. This enables more targeted policy instruments for economic and social development (Karlan and Goldberg, 2007). The future research consideration should focus on interest rate parity that will enable MFIs to provide loans at competitive interest rates to the female borrowers.

This research findings show that microfinance finance institutions have a positive trend in Nigeria. However, female borrowers have difficulties in accessing loans from commercial banks thereby seeking multiple credits from other MFIs due to the absence of central databases. Therefore, further research could be undertaken to focus on microfinance repayments in Nigeria to provide a transaction audit trail that will help the client regarding further access to commercial bank loans. This discussion can be further developed by reviewing the credit scoring model and ways to enhance individual liability.

There should be consideration of more open-ended research into the consequences of having many children on family wellbeing outcomes. As the fungibility of loans by the women borrowers prevents productive use of resources by others. Thus, this will be an interesting area for future researchers to examine.

7.7 The Limitation of Study

Despite the significant result provided by this thesis, there are considerable context regarding the underexplored areas. *First*, it is possible that due to the presence of loan officers from the MFIs and an outsider (the researcher), it could have been difficult for the MFI beneficiaries to provide adequate information. The perception that any negative information provided about the MFI would impact negatively on their ability to obtain future loans may have also influenced how the respondents answered the research questions.

Furthermore, information that reflects the actual experience of the MFI may not have been disclosed due to issues of trust and company's secret. *Second*, the budget, time and data constraints affected the number of MFIs and women borrowers that could have been contacted and the ability to adequately combine quantitative and qualitative data collection and analysis. Above all, budget constraints affected the ability of the investigator to collect large-scale information from a suitable comparison group to compare outcomes. Taking a clue from other rigorous triangulations of microfinance impact (Karlan and Zinman, 2009; Cull, *et al.*, 2010), adopting a comparison approach would have further strengthened the results of this research. *Third,* it is difficult to separate the impact of microfinance from the contribution of other benefits, especially where there is a potential for the presence of unaccounted for variables in the observed impact. This is because in areas where lower numbers of surveys are recorded, the challenges of lack of cooperation from MFI loan officers and women borrowers occurred.

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Appendix 1 Descriptive Statistics Cross Tabulations

Bank Account					
			Microvis	Macrod	Total
Bank Account	Yes	Count	158	103	261
		%	51.8%	33.8%	85.6%
	No	Count	25	19	44
		%	8.2%	6.2%	14.4%
Bank Account Application					
Bank Account	Yes	Count	162	90	252
		%	53.1%	29.5%	82.6%
	No	Count	21	32	53
		%	6.9%	10.5%	17.4%
Household Monthly Income					
Monthly Income	Less than N10,000	Count	0	1	1
		%	0.0%	0.3%	0.3%
	N10,001- N20,000	Count	3	0	3
		%	1.0%	0.0%	1.0%
	N20,001- N40,000	Count	18	17	35

		%	5.9%	5.6%	11.5%
	N40,001- N60,000	Count	57	20	77
		%	18.7%	6.6%	25.2%
	More than N60,000	Count	97	65	162
		%	31.8%	21.3%	53.1%
	I do not know	Count	8	19	27
		%	2.6%	6.2%	8.9%
Home Ownership					
Homeowner	self-owned	Count	40	3	43
		%	13.1%	1.0%	14.1%
	Owned by husband or family head	Count	119	66	185
		%	39.0%	21.6%	60.7%
	Jointly owned by the members of the household	Count	5	15	20
		%	1.6%	4.9%	6.6%
	Rented	Count	14	38	52
		%	4.6%	12.5%	17.0%
	Living with a relative or a friend	Count	5	0	5
		%	1.6%	0.0%	1.6%

Assets Ownership					
Own Assets	Yes	Count	103	36	139
		%	33.8%	11.8%	45.6%
	No	Count	80	86	166
		%	26.2%	28.2%	54.4%
Borrowing from Family and Friends					
Family/Friends	Less than 10%	Count	7	10	17
		%	2.3%	3.3%	5.6%
	10% to less than 25%	Count	8	2	10
		%	2.6%	0.7%	3.3%
	25% to less than 50%	Count	3	8	11
		%	1.0%	2.6%	3.6%
	50% and above	Count	14	2	16
		%	4.6%	0.7%	5.2%
	No interest	Count	70	34	104
		%	23.0%	11.1%	34.1%
	Not applicable	Count	81	66	147
		%	26.6%	21.6%	48.2%
Commercial Bank loan					

Commercial Bank	Less than 10%	Count	24	7	31
		%	7.9%	2.3%	10.2%
	10% to less than 25%	Count	10	17	27
		%	3.3%	5.6%	8.9%
	25% to less than 50%	Count	16	1	17
		%	5.2%	0.3%	5.6%
	50% and above	Count	17	2	19
		%	5.6%	0.7%	6.2%
	Do not know	Count	0	9	9
		%	0.0%	3.0%	3.0%
	Not applicable	Count	116	86	202
		%	38.0%	28.2%	66.2%
Borrowing from Money Lender					
Money Lender	Less than 10%	Count	8	31	39
		%	2.6%	10.2%	12.8%
	10% to less than 25%	Count	16	8	24
		%	5.2%	2.6%	7.9%
	25% to less than 50%	Count	1	8	9
		%	0.3%	2.6%	3.0%

	50% and above	Count	15	3	18
		%	4.9%	1.0%	5.9%
	No interest	Count	1	7	8
		%	0.3%	2.3%	2.6%
	Do not know	Count	0	8	8
		%	0.0%	2.6%	2.6%
	Not applicable	Count	142	57	199
		%	46.6%	18.7%	65.2%
Specialised Bank					
Specialised Bank	Less than 10%	Count	130	3	133
		%	42.6%	1.0%	43.6%
	10% to less than 25%	Count	10	10	20
		%	3.3%	3.3%	6.6%
	25% to less than 50%	Count	8	0	8
		%	2.6%	0.0%	2.6%
	50% and above	Count	13	2	15
		%	4.3%	0.7%	4.9%
	No interest	Count	1	7	8
		%	0.3%	2.3%	2.6%

	Do not know	Count	0	8	8
		%	0.0%	2.6%	2.6%
	Not applicable	Count	21	92	113
		%	6.9%	30.2%	37.0%
Thrifts					
Thrifts	Less than 10%	Count	32	21	53
		%	10.6%	6.9%	17.5%
	10% to less than 25%	Count	20	16	36
		%	6.6%	5.3%	11.9%
	50% and above	Count	14	2	16
		%	4.6%	0.7%	5.3%
	No interest	Count	1	7	8
		%	0.3%	2.3%	2.6%
	Not applicable	Count	115	75	190
		%	38.0%	24.8%	62.7%
Other means of borrowing					
Others	Less than 10%	Count	0	8	8
		%	0.0%	2.6%	2.6%
		Count	9	8	17

	10% to less than 25%	%	3.0%	2.6%	5.6%
	50% and above	Count	14	2	16
		%	4.6%	0.7%	5.2%
	No interest	Count	1	7	8
		%	0.3%	2.3%	2.6%
	Do not know	Count	0	1	1
		%	0.0%	0.3%	0.3%
	Not applicable	Count	159	96	255
		%	52.1%	31.5%	83.6%
Loan Purpose					
Loan Purpose	Personal	Count	10	32	42
		%	3.3%	10.5%	13.8%
	Business	Count	112	82	194
		%	36.7%	26.9%	63.6%
	Both Personal and Business	Count	61	8	69
		%	20.0%	2.6%	22.6%
Effective form of Borrowing					
	Family or friends	Count	9	45	54

Effective Borrowing		%	3.0%	14.8%	17.7%
	Commercial Bank	Count	11	0	11
		%	3.6%	0.0%	3.6%
	Money lenders	Count	12	32	44
		%	3.9%	10.5%	14.4%
	Specialised Banks or Mfbank	Count	17	2	19
		%	5.6%	0.7%	6.2%
	Thrifts	Count	122	41	163
		%	40.0%	13.4%	53.4%
	Not applicable	Count	12	2	14
		%	3.9%	0.7%	4.6%
Savings					
Savings	Yes	Count	163	103	266
		%	53.4%	33.8%	87.2%
	No	Count	20	19	39
		%	6.6%	6.2%	12.8%
Form of Savings					
Savings	With banks	Count	141	77	218
		%	46.2%	25.2%	71.5%

	With work colleagues, friends, or neighbours	Count	8	9	17
		%	2.6%	3.0%	5.6%
	Hide the money within the house	Count	10	1	11
		%	3.3%	0.3%	3.6%
	Lend the money to friends or family	Count	4	0	4
		%	1.3%	0.0%	1.3%
	Other ways	Count	0	16	16
		%	0.0%	5.2%	5.2%
	Not applicable	Count	20	19	39
		%	6.6%	6.2%	12.8%
Loan Application					
Loan Apply	Yes	Count	52	74	126
		%	17.0%	24.3%	41.3%
	No	Count	131	48	179
		%	43.0%	15.7%	58.7%
Loan Application Success					
Loan Success	Yes	Count	29	63	92
		%	9.5%	20.7%	30.2%

	No	Count	23	11	34
		%	7.5%	3.6%	11.1%
	Not Applicable	Count	131	48	179
		%	43.0%	15.7%	58.7%
Reason for Loan Refusal					
Loan Refusal Reason	I did not own asset to offer bank as collateral	Count	18	0	18
		%	5.9%	0.0%	5.9%
	The loan applied was of small amount	Count	1	2	3
		%	0.3%	0.7%	1.0%
	I have no credit history	Count	3	0	3
		%	1.0%	0.0%	1.0%
	Other reasons	Count	1	9	10
		%	0.3%	3.0%	3.3%
	Not applicable	Count	160	111	271
		%	52.5%	36.4%	88.9%

Appendix 2- Statistics Cross Tabulations

Control of labour hiring

			No Control	Full Control	Partial Control	
MemCat	Up to 2 years	Count	47	114	44	205
		Expected Count	48.4	114.9	41.7	205.0
		% within MemCat	22.9%	55.6%	21.5%	100.0%
		% within ConLabCat	65.3%	66.7%	71.0%	67.2%
		Adjusted Residual	-0.4	-0.2	0.7	
	>2 years to 4 years	Count	16	12	3	31
		Expected Count	7.3	17.4	6.3	31.0
		% within MemCat	51.6%	38.7%	9.7%	100.0%
		% within ConLabCat	22.2%	7.0%	4.8%	10.2%
		Adjusted Residual	3.9	-2.1	-1.6	
	> 4 years	Count	9	45	15	69
		Expected Count	16.3	38.7	14.0	69.0
		% within MemCat	13.0%	65.2%	21.7%	100.0%
		% within ConLabCat	12.5%	26.3%	24.2%	22.6%
		Adjusted Residual	-2.3	1.7	0.3	
Total		Count	72	171	62	305
		Expected Count	72.0	171.0	62.0	305.0
		% within MemCat	23.6%	56.1%	20.3%	100.0%
		% within ConLabCat	100.0%	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	18.233[a]	4	0.001
Likelihood Ratio	16.808	4	0.002
Linear-by-Linear Association	0.220	1	0.639
N of Valid Cases	305		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.30.

		Value	Approximate Significance
Nominal by Nominal	Phi	0.245	0.001
	Cramer's V	0.173	0.001
N of Valid Cases		305	

Control of purchases

			No Control	Full Control	Partial Control	
MemCat	Up to 2 years	Count	38	129	38	205
		Expected Count	51.1	103.5	50.4	205.0
		% within MemCat	18.5%	62.9%	18.5%	100.0%
		% within ConPurCat	50.0%	83.8%	50.7%	67.2%
		Adjusted Residual	-3.7	6.2	-3.5	
	>2 years to 4 years	Count	11	10	10	31
		Expected Count	7.7	15.7	7.6	31.0
		% within MemCat	35.5%	32.3%	32.3%	100.0%
		% within ConPurCat	14.5%	6.5%	13.3%	10.2%
		Adjusted Residual	1.4	-2.1	1.0	
	> 4 years	Count	27	15	27	69
		Expected Count	17.2	34.8	17.0	69.0
		% within MemCat	39.1%	21.7%	39.1%	100.0%
		% within ConPurCat	35.5%	9.7%	36.0%	22.6%
		Adjusted Residual	3.1	-5.4	3.2	
Total		Count	76	154	75	305
		Expected Count	76.0	154.0	75.0	305.0
		% within MemCat	24.9%	50.5%	24.6%	100.0%
		% within ConPurCat	100.0%	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	39.678[a]	4	0.000
Likelihood Ratio	41.260	4	0.000
Linear-by-Linear Association	0.002	1	0.965
N of Valid Cases	305		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.62.

		Value	Approximate Significance
Nominal by Nominal	Phi	0.361	0.000
	Cramer's V	0.255	0.000
N of Valid Cases		305	

Control of production process

			No Control	Full Control	Partial Control	
MemCat	Up to 2 years	Count	35	138	32	205
		Expected Count	35.0	130.4	39.7	205.0
		% within MemCat	17.1%	67.3%	15.6%	100.0%
		% within ConProdCat	67.3%	71.1%	54.2%	67.2%
		Adjusted Residual	0.0	1.9	-2.4	
	>2 years to 4 years	Count	11	15	5	31
		Expected Count	5.3	19.7	6.0	31.0
		% within MemCat	35.5%	48.4%	16.1%	100.0%
		% within ConProdCat	21.2%	7.7%	8.5%	10.2%
		Adjusted Residual	2.9	-1.9	-0.5	
	> 4 years	Count	6	41	22	69
		Expected Count	11.8	43.9	13.3	69.0
		% within MemCat	8.7%	59.4%	31.9%	100.0%
		% within ConProdCat	11.5%	21.1%	37.3%	22.6%
		Adjusted Residual	-2.1	-0.8	3.0	

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	18.019[a]	4	0.001
Likelihood Ratio	16.447	4	0.002
Linear-by-Linear Association	6.291	1	0.012
N of Valid Cases	305		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.29.

		Value	Approximate Significance
Nominal by Nominal	Phi	0.243	0.001
	Cramer's V	0.172	0.001
N of Valid Cases		305	

Membership

			Microvis	Macrod	Total
	Less than 6 months	Count	27	17	44
		%	8.9%	5.6%	14.4%
	More than 6 months to 1 year	Count	63	18	81
		%	20.7%	5.9%	26.6%
	More than 1 year to 2 years	Count	45	4	49
		%	14.8%	1.3%	16.1%
	More than 2 year to 3 years	Count	30	1	31
		%	9.8%	0.3%	10.2%

	Above 5 years	Count	16	53	69
		%	5.2%	17.4%	22.6%
	Not applicable	Count	2	29	31
		%	0.7%	9.5%	10.2%
First Loan Size					
	Up to N15,000	Count	17	10	27
		% Count	9.3%	8.2%	8.9%
		% of Total	5.6%	3.3%	8.9%
	N15,001 to N25,000	Count	15	9	24
		% Count	8.2%	7.4%	7.9%
		% of Total	4.9%	3.0%	7.9%
	N25,001 to N35,000	Count	17	2	19
		% Count	9.3%	1.6%	6.2%
		% of Total	5.6%	0.7%	6.2%
	N35,001 to N45,000	Count	6	3	9
		% Count	3.3%	2.5%	3.0%
		% of Total	2.0%	1.0%	3.0%
	N45,001 to N55,000	Count	24	9	33
		% Count	13.1%	7.4%	10.8%
		% of Total	7.9%	3.0%	10.8%
	N55,001 to N100,000	Count	33	52	85
		% Count	18.0%	42.6%	27.9%
		% of Total	10.8%	17.0%	27.9%
		Count	69	8	77

	N100,001 and more	% Count	37.7%	6.6%	25.2%
		% of Total	22.6%	2.6%	25.2%
	Not applicable	Count	2	29	31
		% Count	1.1%	23.8%	10.2%
		% of Total	0.7%	9.5%	10.2%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %

					Total
			Microvis	Macrod	
	up to N35,000	Count	15	2	17
		% Count	8.2%	1.6%	5.6%
		% of Total	4.9%	0.7%	5.6%
	N35,001 to N70,000	Count	47	5	52
		% Count	25.7%	4.1%	17.0%
		% of Total	15.4%	1.6%	17.0%
	N70,001 to N80,000	Count	8	8	16
		% Count	4.4%	6.6%	5.2%
		% of Total	2.6%	2.6%	5.2%
	N90,001 to N100,000	Count	23	1	24
		% Count	12.6%	0.8%	7.9%
		% of Total	7.5%	0.3%	7.9%

	N100,001 to N120,000	Count	0	17	17
		% Count	0.0%	13.9%	5.6%
		% of Total	0.0%	5.6%	5.6%
	N120,001 to N250,000	Count	7	22	29
		% Count	3.8%	18.0%	9.5%
		% of Total	2.3%	7.2%	9.5%
	N250,001 to N500,000	Count	80	15	95
		% Count	43.7%	12.3%	31.1%
		% of Total	26.2%	4.9%	31.1%
	Not applicable	Count	3	52	55
		% Count	1.6%	42.6%	18.0%
		% of Total	1.0%	17.0%	18.0%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0%
		% of Total	60.0%	40.0%	100.0%

Current Loan					
					Total
			Microvis	Macrod	
	From relatives	Count	11	34	45
		% Count	6.0%	27.9%	14.8%
		% of Total	3.6%	11.1%	14.8%
		Count	28	35	63

	From friends/neighbours	% Count	15.3%	28.7%	20.7%
		% of Total	9.2%	11.5%	20.7%
	From loan officers	Count	134	13	147
		% Count	73.2%	10.7%	48.2%
		% of Total	43.9%	4.3%	48.2%
	Others	Count	10	40	50
		% Count	5.5%	32.8%	16.4%
		% of Total	3.3%	13.1%	16.4%
Total		Count	183	122	305
		Loan	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %

First Loan Use

			Loan		Total
			Microvis	Macrod	
	To start my new business	Count	14	36	50
		% Count	7.7%	29.5%	16.4%
		% of Total	4.6%	11.8%	16.4%
	To invest in my already established business	Count	147	5	152
		% Count	80.3%	4.1%	49.8%
		% of Total	48.2%	1.6%	49.8%

	To invest in my husband's/family head's business	Count	8	0	8
		% Count	4.4%	0.0%	2.6%
		% of Total	2.6%	0.0%	2.6%
	To invest in children or relative or friend's business	Count	1	15	16
		% Count	0.5%	12.3%	5.2%
		% of Total	0.3%	4.9%	5.2%
	To fulfil family basic needs like food, shelter, clothes	Count	0	1	1
		% Count	0.0%	0.8%	0.3%
		% of Total	0.0%	0.3%	0.3%
	To pay my / children's educational expenses	Count	1	37	38
		% Count	0.5%	30.3%	12.5%
		% of Total	0.3%	12.1%	12.5%
	To pay back another loan	Count	12	12	24
		% Count	6.6%	9.8%	7.9%
		% of Total	3.9%	3.9%	7.9%
	Any other use	Count	0	16	16
		% Count	0.0%	13.1%	5.2%
		% of Total	0.0%	5.2%	5.2%
Total		Count	183	122	305
		Loan	100.0%	100.0%	100.0%

		% of Total	60.0%	40.0%	100.0 %
Repayment of Loans					
			Microvis	Macrod	Total
	Self	Count	147	87	234
		%	48.2%	28.5%	76.7%
	Husband	Count	16	11	27
		%	5.2%	3.6%	8.9%
	Family head	Count	5	7	12
		%	1.6%	2.3%	3.9%
	Me and my husband	Count	15	1	16
		%	4.9%	0.3%	5.2%
	Others	Count	0	16	16
		%	0.0%	5.2%	5.2%
Training					
					Total
			Microvis	Macrod	
	Yes	Count	90	20	110
		% Count	49.2%	16.4%	36.1%
		% of Total	29.5%	6.6%	36.1%
	No	Count	90	89	179
		% Count	49.2%	73.0%	58.7%
		% of Total	29.5%	29.2%	58.7%
	Not Applicable	Count	3	13	16

		% Count	1.6%	10.7%	5.2%
		% of Total	1.0%	4.3%	5.2%
Total		Count	183	122	305
		% Loan	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %
Business Structure					
					Total
			Microvis	Macrod	
	Sole Trader	Count	171	97	268
		% Count	93.4%	79.5%	87.9%
		% of Total	56.1%	31.8%	87.9%
	Partnership	Count	6	0	6
		% Count	3.3%	0.0%	2.0%
		% of Total	2.0%	0.0%	2.0%
	Others	Count	4	14	18
		% Count	2.2%	11.5%	5.9%
		% of Total	1.3%	4.6%	5.9%
	Not Applicable	Count	2	11	13
		% Count	1.1%	9.0%	4.3%
		% of Total	0.7%	3.6%	4.3%
Total		Count	183	122	305

		% Count	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %

Business Types					
					Total
			Microvis	Macrod	
	Manufacturing	Count	11	7	18
		% Count	6.0%	5.7%	5.9%
		% of Total	3.6%	2.3%	5.9%
	Services	Count	45	50	95
		% Count	24.6%	41.0%	31.1%
		% of Total	14.8%	16.4%	31.1%
	Trading	Count	126	47	173
		% Count	68.9%	38.5%	56.7%
		% of Total	41.3%	15.4%	56.7%
	Not applicable	Count	1	18	19
		% Count	0.5%	14.8%	6.2%
		% of Total	0.3%	5.9%	6.2%
Total		Count	183	122	305
		% Total	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %

Membership length					
					Total
			Microvis	Macrod	
	Less than 1 year	Count	15	12	27
		% Total	8.2%	9.8%	8.9%
		% of Total	4.9%	3.9%	8.9%
	1-2years	Count	37	24	61
		% Total	20.2%	19.7%	20.0%
		% of Total	12.1%	7.9%	20.0%
	3-5 years	Count	68	49	117
		% Total	37.2%	40.2%	38.4%
		% of Total	22.3%	16.1%	38.4%
	6 - 10 Years	Count	43	2	45
		% Count	23.5%	1.6%	14.8%
		% of Total	14.1%	0.7%	14.8%
	More than 10 Years	Count	19	16	35
		% Count	10.4%	13.1%	11.5%
		% of Total	6.2%	5.2%	11.5%
	Not Applicable	Count	1	19	20
		% Count	0.5%	15.6%	6.6%
		% of Total	0.3%	6.2%	6.6%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0%

		% of Total	60.0%	40.0%	100.0 %
Percentage of Ownership					
			Microvis	Macrod	Total
	Less than 25%	Count	4	10	14
		% Count	2.2%	8.2%	4.6%
		% of Total	1.3%	3.3%	4.6%
	25-50%	Count	1	16	17
		% Count	0.5%	13.1%	5.6%
		% of Total	0.3%	5.2%	5.6%
	51-75%	Count	17	17	34
		% Count	9.3%	13.9%	11.1%
		% of Total	5.6%	5.6%	11.1%
	76- 100%	Count	159	44	203
		% Count	86.9%	36.1%	66.6%
		% of Total	52.1%	14.4%	66.6%
	Not Applicable	Count	2	35	37
		% Count	1.1%	28.7%	12.1%
		% of Total	0.7%	11.5%	12.1%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0 %

		% of Total	60.0%	40.0%	100.0 %
Staff Employed					
					Total
			Microvis	Macrod	
	Self	Count	90	15	105
		% Count	49.2%	12.3%	34.4%
		% of Total	29.5%	4.9%	34.4%
	1	Count	39	8	47
		% Count	21.3%	6.6%	15.4%
		% of Total	12.8%	2.6%	15.4%
	2-3	Count	36	32	68
		% Count	19.7%	26.2%	22.3%
		% of Total	11.8%	10.5%	22.3%
	4-5	Count	2	40	42
		% Count	1.1%	32.8%	13.8%
		% of Total	0.7%	13.1%	13.8%
	6-10	Count	16	27	43
		% Count	8.7%	22.1%	14.1%
		% of Total	5.2%	8.9%	14.1%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0 %

		% of Total	60.0%	40.0%	100.0 %

Women Employed

			Microvis	Macrod	Total
	Yes	Count	73	66	139
		% Count	39.9%	54.1%	45.6%
		% of Total	23.9%	21.6%	45.6%
	No	Count	40	18	58
		% Count	21.9%	14.8%	19.0%
		% of Total	13.1%	5.9%	19.0%
	Not Applicable	Count	70	38	108
		% Count	38.3%	31.1%	35.4%
		% of Total	23.0%	12.5%	35.4%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %

Unpaid Services in business

			Microvis	Macrod	Total
	Yes	Count	31	34	65
		% Count	16.9%	27.9%	21.3%

		% of Total	10.2%	11.1%	21.3%
	No	Count	83	50	133
		% Count	45.4%	41.0%	43.6%
		% of Total	27.2%	16.4%	43.6%
	Not Applicable	Count	69	38	107
		% Count	37.7%	31.1%	35.1%
		% of Total	22.6%	12.5%	35.1%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0%
		% of Total	60.0%	40.0%	100.0%

Start-up Capital					
					Total
			Microvis	Macrod	
	Self-Funded	Count	148	12	160
		% Count	80.9%	9.8%	52.5%
		% of Total	48.5%	3.9%	52.5%
	from friends or family	Count	14	34	48
		% Count	7.7%	27.9%	15.7%
		% of Total	4.6%	11.1%	15.7%
	From Money lenders or banks	Count	6	18	24
		% Count	3.3%	14.8%	7.9%
		% of Total	2.0%	5.9%	7.9%

	Commercial Banks or specialised Financial Institutions	Count	11	31	42
		% Count	6.0%	25.4%	13.8%
		% of Total	3.6%	10.2%	13.8%
	From microfinance banks	Count	3	1	4
		% Count	1.6%	0.8%	1.3%
		% of Total	1.0%	0.3%	1.3%
	Not applicable	Count	1	26	27
		% Count	0.5%	21.3%	8.9%
		% of Total	0.3%	8.5%	8.9%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %

Loan Use in business

					Total
			Microvis	Macrod	
	Purchase equipment	Count	40	9	49
		% Count	21.9%	7.4%	16.1%
		% of Total	13.1%	3.0%	16.1%
	Purchase raw material	Count	113	27	140
		% Count	61.7%	22.1%	45.9%

		% of Total	37.0%	8.9%	45.9%
	Other business costs	Count	10	42	52
		% Count	5.5%	34.4%	17.0%
		% of Total	3.3%	13.8%	17.0%
	Any other costs	Count	8	0	8
		% Count	4.4%	0.0%	2.6%
		% of Total	2.6%	0.0%	2.6%
	To clear business debts}	Count	11	10	21
		% Count	6.0%	8.2%	6.9%
		% of Total	3.6%	3.3%	6.9%
	Not applicable	Count	1	34	35
		% Count	0.5%	27.9%	11.5%
		% of Total	0.3%	11.1%	11.5%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %
Profits in business					
					Total
			Microvis	Macrod	
	Strongly disagree	Count	15	9	24
		% Count	8.2%	7.4%	7.9%
		% of Total	4.9%	3.0%	7.9%

	Disagree	Count	8	1	9
		% Count	4.4%	0.8%	3.0%
		% of Total	2.6%	0.3%	3.0%
	Neither disagree nor agree	Count	6	16	22
		% Count	3.3%	13.1%	7.2%
		% of Total	2.0%	5.2%	7.2%
	Agree	Count	150	46	196
		% Count	82.0%	37.7%	64.3%
		% of Total	49.2%	15.1%	64.3%
	Strongly agree	Count	2	9	11
		% Count	1.1%	7.4%	3.6%
		% of Total	0.7%	3.0%	3.6%
	Not applicable	Count	2	41	43
		% Count	1.1%	33.6%	14.1%
		% of Total	0.7%	13.4%	14.1%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0%
		% of Total	60.0%	40.0%	100.0%

Increase in Sales					
					Total
			Microvis	Macrod	
	Strongly disagree	Count	14	8	22

		% Count	7.7%	6.6%	7.2%
		% of Total	4.6%	2.6%	7.2%
	Disagree	Count	11	2	13
		% Count	6.0%	1.6%	4.3%
		% of Total	3.6%	0.7%	4.3%
	Neither disagree nor agree	Count	6	15	21
		% Count	3.3%	12.3%	6.9%
		% of Total	2.0%	4.9%	6.9%
	Agree	Count	149	45	194
		% Count	81.4%	36.9%	63.6%
		% of Total	48.9%	14.8%	63.6%
	Strongly agree	Count	1	13	14
		% Count	0.5%	10.7%	4.6%
		% of Total	0.3%	4.3%	4.6%
	Not applicable	Count	2	39	41
		% Count	1.1%	32.0%	13.4%
		% of Total	0.7%	12.8%	13.4%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0%
		% of Total	60.0%	40.0%	100.0%
Increase in Business Assets					

			Microvis	Macrod	Total
	Strongly disagree	Count	8	7	15
		% Count	4.4%	5.7%	4.9%
		% of Total	2.6%	2.3%	4.9%
	Disagree	Count	0	7	7
		% Count	0.0%	5.7%	2.3%
		% of Total	0.0%	2.3%	2.3%
	Neither disagree nor agree	Count	16	8	24
		% Count	8.7%	6.6%	7.9%
		% of Total	5.2%	2.6%	7.9%
	Agree	Count	149	49	198
		% Count	81.4%	40.2%	64.9%
		% of Total	48.9%	16.1%	64.9%
	Not applicable	Count	10	51	61
		% Count	5.5%	41.8%	20.0%
		% of Total	3.3%	16.7%	20.0%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0%
		% of Total	60.0%	40.0%	100.0%

Increase in Labour

					Total
			Microvis	Macrod	

	Strongly disagree	Count	0	7	7
		% Count	0.0%	5.7%	2.3%
		% of Total	0.0%	2.3%	2.3%
	Disagree	Count	1	2	3
		% Count	0.5%	1.6%	1.0%
		% of Total	0.3%	0.7%	1.0%
	Neither disagree nor agree	Count	21	16	37
		% Count	11.5%	13.1%	12.1%
		% of Total	6.9%	5.2%	12.1%
	Agree	Count	127	45	172
		% Count	69.4%	36.9%	56.4%
		% of Total	41.6%	14.8%	56.4%
	Strongly agree	Count	1	7	8
		% Count	0.5%	5.7%	2.6%
		% of Total	0.3%	2.3%	2.6%
	Not applicable	Count	33	45	78
		% Count	18.0%	36.9%	25.6%
		% of Total	10.8%	14.8%	25.6%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0%
		% of Total	60.0%	40.0%	100.0%

Chances of external loan

					Total
			Microvis	Macrod	
	Strongly disagree	Count	9	7	16
		% Count	4.9%	5.7%	5.2%
		% of Total	3.0%	2.3%	5.2%
	Disagree	Count	8	0	8
		% Count	4.4%	0.0%	2.6%
		% of Total	2.6%	0.0%	2.6%
	Neither disagree nor agree	Count	12	10	22
		% Count	6.6%	8.2%	7.2%
		% of Total	3.9%	3.3%	7.2%
	Agree	Count	133	52	185
		% Count	72.7%	42.6%	60.7%
		% of Total	43.6%	17.0%	60.7%
	Strongly agree	Count	1	8	9
		% Count	0.5%	6.6%	3.0%
		% of Total	0.3%	2.6%	3.0%
	Not applicable	Count	20	45	65
		% Count	10.9%	36.9%	21.3%
		% of Total	6.6%	14.8%	21.3%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %

Increase in Self Confidence					
					Total
			Microvis	Macrod	
	Strongly disagree	Count	18	9	27
		% Count	9.8%	7.4%	8.9%
		% of Total	5.9%	3.0%	8.9%
	Disagree	Count	8	1	9
		% Count	4.4%	0.8%	3.0%
		% of Total	2.6%	0.3%	3.0%
	Neither disagree nor agree	Count	7	1	8
		% Count	3.8%	0.8%	2.6%
		% of Total	2.3%	0.3%	2.6%
	Agree	Count	147	56	203
		% Count	80.3%	45.9%	66.6%
		% of Total	48.2%	18.4%	66.6%
	Strongly agree	Count	0	7	7
		% Count	0.0%	5.7%	2.3%
		% of Total	0.0%	2.3%	2.3%
	Not applicable	Count	3	48	51
		% Count	1.6%	39.3%	16.7%
		% of Total	1.0%	15.7%	16.7%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0 %

		% of Total	60.0%	40.0%	100.0 %
Increase in Communication Skills					
			Microvis	Macrod	Total
	Strongly disagree	Count	9	2	11
		% Count	4.9%	1.6%	3.6%
		% of Total	3.0%	0.7%	3.6%
	Neither disagree nor agree	Count	20	8	28
		% Count	10.9%	6.6%	9.2%
		% of Total	6.6%	2.6%	9.2%
	Agree	Count	145	63	208
		% Count	79.2%	51.6%	68.2%
		% of Total	47.5%	20.7%	68.2%
	Strongly agree	Count	1	14	15
		% Count	0.5%	11.5%	4.9%
		% of Total	0.3%	4.6%	4.9%
	Not applicable	Count	8	35	43
		% Count	4.4%	28.7%	14.1%
		% of Total	2.6%	11.5%	14.1%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0 %

		% of Total	60.0%	40.0%	100.0 %
Increase in Financial Management Skills					
					Total
			Microvis	Macrod	
	Strongly disagree	Count	17	10	27
		% Count	9.3%	8.2%	8.9%
		% of Total	5.6%	3.3%	8.9%
	Disagree	Count	1	14	15
		% Count	0.5%	11.5%	4.9%
		% of Total	0.3%	4.6%	4.9%
	Neither disagree nor agree	Count	15	17	32
		% Count	8.2%	13.9%	10.5%
		% of Total	4.9%	5.6%	10.5%
	Agree	Count	129	37	166
		% Count	70.5%	30.3%	54.4%
		% of Total	42.3%	12.1%	54.4%
	Strongly agree	Count	1	7	8
		% Count	0.5%	5.7%	2.6%
		% of Total	0.3%	2.3%	2.6%
	Not applicable	Count	20	37	57
		% Count	10.9%	30.3%	18.7%
		% of Total	6.6%	12.1%	18.7%
Total		Count	183	122	305

		% Count	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %

Increase in Planning

					Total
			Microvis	Macrod	
	Strongly disagree	Count	2	2	4
		% Count	1.1%	1.6%	1.3%
		% of Total	0.7%	0.7%	1.3%
	Disagree	Count	9	7	16
		% Count	4.9%	5.7%	5.2%
		% of Total	3.0%	2.3%	5.2%
	Neither disagree nor agree	Count	8	24	32
		% Count	4.4%	19.7%	10.5%
		% of Total	2.6%	7.9%	10.5%
	Agree	Count	144	38	182
		% Count	78.7%	31.1%	59.7%
		% of Total	47.2%	12.5%	59.7%
	Strongly agree	Count	1	14	15
		% Count	0.5%	11.5%	4.9%
		% of Total	0.3%	4.6%	4.9%
	Not applicable	Count	19	37	56
		% Count	10.4%	30.3%	18.4%

		% of Total	6.2%	12.1%	18.4%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %
Control of Production process					
					Total
			Microvis	Macrod	
	No involvement	Count	8	0	8
		% Count	4.4%	0.0%	2.6%
		% of Total	2.6%	0.0%	2.6%
	Very Limited	Count	1	15	16
		% Count	0.5%	12.3%	5.2%
		% of Total	0.3%	4.9%	5.2%
	Partial	Count	26	11	37
		% Count	14.2%	9.0%	12.1%
		% of Total	8.5%	3.6%	12.1%
	Significant	Count	93	39	132
		% Count	50.8%	32.0%	43.3%
		% of Total	30.5%	12.8%	43.3%
	Full	Count	39	8	47
		% Count	21.3%	6.6%	15.4%
		% of Total	12.8%	2.6%	15.4%

	Not applicable	Count	16	49	65
		% Count	8.7%	40.2%	21.3%
		% of Total	5.2%	16.1%	21.3%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %
Control of Labour					
					Total
			Microvis	Macrod	
	No involvement	Count	9	3	12
		% Count	4.9%	2.5%	3.9%
		% of Total	3.0%	1.0%	3.9%
	Very Limited	Count	10	16	26
		% Count	5.5%	13.1%	8.5%
		% of Total	3.3%	5.2%	8.5%
	Partial	Count	8	9	17
		% Count	4.4%	7.4%	5.6%
		% of Total	2.6%	3.0%	5.6%
	Significant	Count	63	35	98
		% Count	34.4%	28.7%	32.1%
		% of Total	20.7%	11.5%	32.1%
	Full	Count	8	7	15

		% Count	4.4%	5.7%	4.9%
		% of Total	2.6%	2.3%	4.9%
	Not applicable	Count	85	52	137
		% Count	46.4%	42.6%	44.9%
		% of Total	27.9%	17.0%	44.9%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %

Control of Sales					
					Total
			Microvis	Macrod	
	Very Limited	Count	11	10	21
		% Count	6.0%	8.2%	6.9%
		% of Total	3.6%	3.3%	6.9%
	Partial	Count	31	18	49
		% Count	16.9%	14.8%	16.1%
		% of Total	10.2%	5.9%	16.1%
	Significant	Count	91	31	122
		% Count	49.7%	25.4%	40.0%
		% of Total	29.8%	10.2%	40.0%
	Full	Count	8	14	22
		% Count	4.4%	11.5%	7.2%

		% of Total	2.6%	4.6%	7.2%
	Not applicable	Count	42	49	91
		% Count	23.0%	40.2%	29.8%
		% of Total	13.8%	16.1%	29.8%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0 %
		% of Total	60.0%	40.0%	100.0 %

Control of Purchases

					Total
			Microvis	Macrod	
	Very Limited	Count	9	11	20
		% Count	4.9%	9.0%	6.6%
		% of Total	3.0%	3.6%	6.6%
	Partial	Count	38	10	48
		% Count	20.8%	8.2%	15.7%
		% of Total	12.5%	3.3%	15.7%
	Significant	Count	90	37	127
		% Count	49.2%	30.3%	41.6%
		% of Total	29.5%	12.1%	41.6%
	Full	Count	12	15	27
		% Count	6.6%	12.3%	8.9%
		% of Total	3.9%	4.9%	8.9%

	Not applicable	Count	34	49	83
		% Count	18.6%	40.2%	27.2%
		% of Total	11.1%	16.1%	27.2%
Total		Count	183	122	305
		% Count	100.0%	100.0%	100.0%
		% of Total	60.0%	40.0%	100.0%

Appendix 3 The Survey Questions and Questionnaire

INTERVIEW QUESTIONS

I am conducting interviews as part of PhD research study to increase my understanding on women empowerment through microfinance and enterprise in Nigeria.

As a practitioner in this field, you are in an ideal position to give me valuable first-hand information from your own perspective.

The interview takes approximately 55 minutes and is very informal. I am simply trying to capture your thoughts and perspectives on microfinance services. Your responses to the questions will be kept confidential. Each interview will be assigned a number code to help ensure that personal identifiers are not revealed during the analysis and write up of findings.

There is no compensation for participating in this study. However, your participation will be a valuable addition to our research and findings could lead to greater public and government understanding of microfinance practices in Nigeria.

Microfinance institution/ Branch:

Respondent (optional)

General questions on demography (Response ticked √ appropriately):

Age: Below 25 years 26-35 years 36-45 years 46-55 years 56-55 years 60 years & above6	**Marital Status:** Single Married Divorced Widow/Widower
Educational Qualification: Primary Secondary Graduate Others	**Working Experience:** Below 2 years 3-4 years 5-8 years 8-12 years 13-15 years 16-20 years 21 year and above

Family Structure and hierarchy	What are your family structure and the family hierarchy? How many adults and children are in the family, prompt by asking who is responsible for earning the money for the family, how many people earn money and share in household expenses in the family, who make main decisions in the family?
Working women	Are you a working woman or self-employed? Are you doing any job or earns money by working at home or have any business enterprise at micro or small scale running solely by you or jointly with any household member?
Education and Training	Are you educated and if yes is education is helping to deal with day to day matters inside and outside of your house? Please explain. Have you received practical training in any subjects including business since the beginning of the microfinance loan? If yes, please give details of that training. In particular, did it include any training in financial management/budgeting /assessment of income and expenditure/record keeping/debt management/savings/ understanding of bank charges?

Access to finance on the microfinance loan	
Microfinance and savings	• How did you hear of microfinance loan? • Why microfinance loan? Have you looked at other alternatives? If no then why? • Are you using credit from more than one microfinance institution or loans from informal (Such as family, friends, esusu, landlord) or formal (Commercial banks) sources of finance? If yes then what is the reason for using multiple sources of finance? • Are you making repayments of microfinance loan in time? If No, what is the reason behind it and what will be the consequences for non-payment? • Do you feel that your ability to save has changed over the last couple of years after taking microfinance loan? Please describe
Uses of the Microfinance loan	• Is credit money used for starting a new or investing in an already established business? If 'No' then what is the use of the credit money? • Are you running the business that is financed by micro finance? If No then who is running the business financed by microfinance and are you participating in that business in any stage (in purchase, production, selling, marketing, accounting and recording or making decisions relating to business, helping in sale of products etc.)

Access to Finance and expansion of business	• Do you applied or intend to apply for loan from commercial banks and other financial institutions (other than microfinance institutions and banks) after the expansion of your business and do you feel yourself confident in applying and collecting information about such loan after becoming part of microfinance institution? • How will MFI help to expand the business and educate them to apply for further finance from the commercial banks in case of expansion from micro to small and medium scale business?

Women Entrepreneurship	
1. Development of microenterprise from microfinance	• How much this credit is helpful in developing your business? (Increase in profits and sales) • How is microfinance helping the women to deal with specific social and cultural barriers in the way of developing an enterprise? • Whether MFI is helping in time of crisis in business or left you alone to deal with the situation and becoming defaulter?
Development of entrepreneurial skills from microfinance	• How is this credit helping the women to develop as entrepreneur? • Looking back since you received microfinance loan, what difference do you feel the loan has made in your personal and entrepreneurial abilities like self-confidence, communication skills and ability to take risk in business, ability to manage money independently etc.? Is any training is provided by microfinance institution in this regard? • Do you think that participation in microfinance programme contribute to the development of women entrepreneurship?
Empowered to make business decisions	• Who is responsible to make decisions in business after the financial and non-financial support from microfinance institution?

Women economic empowerment and well being of the family	
1. Economic Empowerment (social awareness)	• Do you think that your ability to make decisions increased due to microfinance loans? (Decisions relating to income and household expenses) • Do you think that after joining microfinance programme you are more aware of your political and social rights?

2. Well-being of the family	• Do you think that, if you are economically empowered after taking participation in microfinance facility then, you will be able to increase the well-being of family? (Decisions relating to health and education of you and your family) • Looking back since you received microfinance loan, what difference do you feel the loan has made in household communication like asking your advice about difficult issue or decision, encouraging you to participate in something outside the home that was only for your benefit etc.

Kindly share any other comments relating to your experience of microfinance loan and its impact on women entrepreneurship, economic empowerment, and well-being of family and further access to credit from banks other than microfinance banks or any recommendations in this regard.

INTERVIEW QUESTIONS ON THE OFFICERS OF THE MICROFINANCE INSTITUTION

Length of interview 55 minutes approximately

Microfinance

institution/Branch:

Respondent (optional)/

General questions on demography (Response ticked √ appropriately):

Age: Below 25 years 26-35 years 36-45 years 46-55 years 56-55 years 60 years & above6	**Marital Status:** Single Married Divorced Widow/Widower

Educational Qualification: Primary Secondary Graduate Others	**Working Experience:** Below 2 years 3-4 years 5-8 years 8-12 years 13-15 years 16-20 years 21 year and above

Access to finance and microfinance loan	
1. Microfinance and savings	• What is the mission and vision of your microfinance institution? • How do you attract or convince the women to take loan from microfinance institution and what do you think that why women need to prefer microfinance than other informal sources of finance? • What is your criterion for selection of the women client and how you assess that such women will use microfinance for any economic activity like establishing a business and pay back the loan? • If women do not repay microfinance loan in time, then what will be the consequences for non-payment? • Do you feel that your women clients' ability to save has changed over the last couple of years after taking microfinance loan? And how helpful is your microfinance institution in this regard

2. Microfinance loan and Business	• Do you provide loan to women only for doing business (old or nascent entrepreneurs)? • If women take loan for investing money in her husband/children/relative's business, then how will you ensure that women is participating in the business and benefiting out of it? Like women is taking part in decision making or helping in purchasing, marketing or selling of the products or any financial or non-financial benefit. • If a woman take microfinance for doing business and use it for any other purpose (pay back another loan etc.) then how you ensure or implement the proper use of microcredit? • What are the other financial and non-financial services provided to the female clients with the microfinance loan?
3.Access to Finance and expansion of business	• Do you think that participation in your microfinance programme will lead the women borrowers to further access to finance from other financial institution? • How will MFI help to expand the business and educate them to apply for further finance from the commercial banks in case of expansion from micro to small and medium scale business?
Women Entrepreneurship	
Development of microenterprise from microfinance	• Do you provide any training to help the women to establish her business or expand the already established business? • How microfinance is helping the women to deal with specific social and cultural barriers in the way of developing an enterprise? • Whether the MFI is helping in time of crisis in business of the women client or left them alone to deal with the situation and becoming defaulters?
Development of entrepreneurial skills from microfinance	• Do you focus on development of women personal and entrepreneurial abilities like self-confidence, communication skills and ability to take risk in business, ability to manage money independently etc.? Is any training is provided by microfinance institution in this regard? • Do you think that participation in microfinance programme contribute to the development of women entrepreneurship?
Empowered to make business decisions	• Do you support and encourage the women clients to make decisions relating to their business?
Women economic empowerment and well-being of the family	

Economic Empowerment (Social and political awareness)	• How is this microfinance institution helping the women to increase their ability to make decisions? (Decisions relating to income and household expenses) • Do you think that your microfinance programme contributes to the development of women economic empowerment and social and political awareness? • Do you think that development of women entrepreneurship through this microfinance loan is a way to achieve economic empowerment of women?
Well-being of the family	• How this microfinance institution is helping the women to increase their ability to make decisions relating to the well-being of the family? • What type of services do you provide to the women clients that help them in the well-being of their families?

Kindly share any other comments relating to microfinance loan and its impact on women entrepreneurship, economic empowerment, and well-being of family and further access to credit from banks other than microfinance Banks.

RESEARCH QUESTIONNAIRE

Women Empowerment through Microfinance and Enterprise in Nigeria.

My name is Festus Aninze, and I am conducting research leading to an award of a PhD. The study will increase the understanding of women empowerment through microfinance and enterprise in Nigeria.

Your participation in the study is voluntary and takes approximately 45 minutes. I am simply trying to capture your thoughts and perspectives on microfinance services. Your responses to the questions will be kept confidential. Each respondent will be assigned a number code to help ensure that personal identifiers are not revealed during the analysis and write up of findings.

There is no compensation for participating in this study. However, your participation will be a valuable addition to the research and findings could lead to greater public and government understanding of microfinance practices in Nigeria.

Date:_____________________________________

Name of Woman borrower (optional)______________

Microfinance Institution:__________________________

Branch/ Office:__________________________________

Section One-Demographic Data:

Please tick (✓) appropriately on the following questions below.

Q1-Which of the following is your age range.

a) 18-29 years
b) 30-39 years
c) 40-49 years
d) 50-59 years
e) 60 years and above

Q2-Which of these options best describe your current marital status.

a) Married
b) Single
c) Divorced/Separated
d) Widow

Q3-How many children do you have?

a) 0
b) 1-2
c) 3-4
d) 5-6
e) 7 and above

Q4-Which of the following best describe your family unit.

a) Monogamy
b) Polygyny
c) Others (please specify) ____________________

Q5- Who makes decisions in your household.

a) Yourself
b) Husband
c) Father/Father in Law
d) Mother/ Mother in Law
e) Others (Please specify) ______________________

Q6: What is your highest educational qualification?

a) No qualification
b) Primary
c) Secondary
d) Graduate
e) Professional
f) Others (please specify) ______________________

Q7: What is your husband/family head highest educational qualification?

a) No qualification
b) Primary

c) Secondary
d) Graduate
e) Professional
f) Others (please specify) ____________________

Section Two-Personal Finance, Assets, and Income Data:

Please tick (✓) appropriately on the following questions below.

Q1-Do you have a bank account in your name?

a) Yes
b) No

Q2-Did you have a bank account before you apply for the microfinance loan?

a) Yes
b) No

Q3-How much was the monthly incomes of your household before you apply for the microfinance loan?

a) Less than ₦ 10,000
b) ₦ 10,001 – ₦ 20,000
c) ₦ 20,001 – ₦ 40,000
d) ₦ 40,001 – ₦ 60,000
e) More than ₦ 60,000
f) I do not know

Q4-Which of the following best describe your home ownership structure before you apply for the microfinance loan.

a) Self-owned
b) Owed by my husband/family head
c) Owned by other members of household
d) Jointly owned by the members of the household
e) Rented
f) Living with a relative or a friend

Q5- Did you own assets for example, land, buildings or vehicles before you apply for the microfinance loan.

a) Yes
b) No

Section Three-Access to Finance Data:

Please tick (✓) appropriately on the following questions below.

Q1-Which of the following types of borrowings and the rate of interests do you use mainly use. (Please you can tick more than one).

	Less than 10%	10% to less than 25%	25% to less than 50%	50% and above	No interest	Do not know	Not applicable
a) Family or friends							

b) Commercial bank							
c) Moneylenders							
d) Specialised Banks or							
e) Thrifts							
f) Others (Please specify)							

Q2-What is the purpose of the loan?

a) Personal
b) Business
c) Both personal and business

Q3-If you are using more than one source of borrowing, which of the following sources do you consider being more effective in terms of your requirement? (Please tick only one)

a) Family or friends	
b) Commercial bank	
c) Moneylenders	
d) Specialised Banks or	
e) Thrifts	
f) Not Applicable	

Q4-Do you have savings?
a) Yes
b) No

Q5- If you have savings, how do you usually save money?
a) With Banks
b) With work colleagues, friends or neighbours
c) Hide the money within the house
d) Lend the money to friends or family
e) Other ways (Please specify)___________________
f) Not applicable

Q6-Have you ever applied for a loan from formal sources, for example commercial banks.
a) Yes
b) No

Q7-Did you successfully secure the loan?
a) Yes
b) No

c) Not applicable

Q8- If your answer in Q7 above is No, what was the main reason for the refusal?

a) I am a woman
b) I did not own asset to offer bank as collateral
c) The loan applied was of small amount
d) I have no credit history
e) Any other reason *(Please give detail)*___________
f) Not applicable

Q9 –Which microfinance provider did you obtained the microfinance loan?

a) Microvis
b) Macrod
c) Not applicable
d) Others (Please specify)_____________

Q10-How long have you been a customer of the microfinance institution?

a) Less than 6 months
b) More than 6 months to 1 year
c) More than 1 year to 2 years
d) More than 2 years to 3 years
e) More than 3 years to 4 years
f) More than 4 year to 5 years
g) Above 5 years
h) Not Applicable

Q11-Which amount range was your first microfinance loan.

a) Up to ₦ 15,000
b) ₦ 15,001 – ₦ 25,000
c) ₦ 25,001 – ₦ 35,000
d) ₦ 35,001 – ₦ 45,000
e) ₦ 45,001 – ₦ 55,000
f) ₦ 55,001 – ₦ 100,000
g) ₦ 100,001 and more
h) Not applicable

Q12-What is the current amount range of your microfinance loan?

a) Up to ₦ 35,000
b) ₦ 35,001 – ₦ 70,000
c) ₦ 70,001 – ₦ 80,000
d) ₦ 80,001 – ₦ 90,000
e) ₦ 90,001 – ₦ 100,000
f) ₦ 100,001 – ₦ 120,000
g) ₦ 120,001 - ₦ 250,000
h) ₦ 250,001 – ₦ 500,000
i) Above ₦ 500,000
j) Not applicable

Q13-Where did you get the first information about the microfinance institution's (MFI) credit facilities?

a) From husband / family head
b) From relatives
c) From friends/neighbours
d) From loan officers
e) Others (Please give details)______________________

Q14-How did you use your first microfinance loan?

a) To start my new business
b) To invest in my already established business
c) To invest in my husband's/family head's business
d) To invest in children or relative or friend's business
e) To fulfil family basic needs like food, shelter, clothes
f) To pay my / children's educational expenses
g) To pay health expenses of children / family
h) To pay back another loan
i) Any other use (please give details) _____________

Q15-Who has been repaying the microfinance loan taken in your name?

a) Self
b) My Husband
c) Family Head
d) Me and my husband
e) Others (Please specify)________________________

Q16- Did you receive any training from the microfinance institution for setting up your new business?

a) Yes
b) No
c) Not applicable

Section Four-Woman Entrepreneurship Data:

Please tick (✓) appropriately on the following questions below.

Q1-What is the ownership structure of your business?

a) Sole Trader
b) Partnership
c) Others (Please specify) ___________
d) Not applicable

Q2-Please specify the type of business you have for example, boutiques or cake making.

a) Manufacturing________________________________
b) Services ________________________________
c) Trading ________________________________
d) Others (Please specify) ____
e) Not applicable________________________________

Q3-How long have you been in the business?

a) Less than 1 year
b) 1-2 years
c) 3-5 years
d) 6-10 years
e) More than 10 years
f) Not applicable

Q4-What is your percentage ownership in the business?

a) Less than 25%
b) 25-50%
c) 51-75%
d) 76- 100%
e) Not applicable

Q5-How many people do you employ?

a) Self only

b) <u>One</u>
c) <u>2-3</u>
d) <u>4-5</u>
e) <u>6-10</u>
f) <u>More than 10 and less than 50</u>
g) <u>More than 50</u>
h) <u>Not applicable</u>

Q6-Do you employ women in your business?

a) <u>Yes</u>
b) <u>No</u>
c) <u>Not applicable</u>

Q7-Do you use unpaid services for example family, friends, or relatives in the business?

a) <u>Yes</u>
b) <u>No</u>
c) <u>Not applicable</u>

Q8-What are the sources of startup capital of your business? (Please tick one option)

a) <u>Self-funded</u>
b) <u>From friends or family</u>
c) <u>From moneylenders</u>
d) <u>Commercial Banks or other specialised Financial Institutions</u>
e) <u>From Microfinance Banks</u>
f) <u>From others, please specify______________</u>
g) <u>Not applicable</u>

Q9-What are the main areas that you spend most of the microfinance loan in the business? (Please tick one option).

a) <u>Purchase of equipment or assets</u>
b) <u>Purchase of raw material</u>
c) <u>Initial operating cost-cash flows</u>
d) <u>Hiring of labour</u>
e) <u>To clear business debts</u>
f) <u>Others, please specify__________</u>
g) <u>Not applicable</u>

Q10- Do you agree on the benefits received from your business through the participation in the microfinance programs. (Please rate the questions on the scale 1 to 5 provided below).

There is increases in:	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	
a) Profits	1	2	3	4	5	Not applicable
b) Sales	1	2	3	4	5	Not applicable
c) Business assets	1	2	3	4	5	Not applicable
d) Labour	1	2	3	4	5	Not applicable
e) Chances of obtaining business loans from commercial banks	1	2	3	4	5	Not applicable
f) Self confidence	1	2	3	4	5	Not applicable
g) Communication skills	1	2	3	4	5	Not applicable
h) Financial management and computation skills	1	2	3	4	5	Not applicable
i) Qualities of foresight and planning	1	2	3	4	5	Not applicable

Q11-Do you have control of the following decisions relating to the business (on loan from microfinance institution) through the participation in the microfinance programs. (Please rate the questions on the scale 1 to 5 provided below).

Control in decision making relating to:	No involvement	Very Limited	Partial	Significant	Full	
a) The production processes for example the purchase of raw material, goods, or rendering of services.	1	2	3	4	5	Not Applicable
b) Hiring of labour.	1	2	3	4	5	Not Applicable
c) The sale and marketing of the products or services.	1	2	3	4	5	Not Applicable
d) The purchase and sales of business asset.	1	2	3	4	5	Not Applicable
e) Others expenses(Please specify)___________	1	2	3	4	5	Not Applicable

Section Five- Empowerment and Well-being of Family Data:

Please tick (✓) appropriately on the following questions below.

Q1-Who made the decision to apply for the first microfinance loan?

a) Myself
b) My Husband
c) Both me and my husband
d) My husband and family head
e) Me, my husband and family head
f) Not applicable

Q2- Who made the decision to use the microfinance loan when the loan was received.

a) Myself
b) My Husband
c) Both me and my husband
d) My husband and family head
e) Me , my husband and family head
f) Not applicable

Q3-Do you agree that you are empowered or have freedom to make decisions or participate in making decision after obtaining microfinance loan? (Please rate the questions on the scale 1 to 5 provided below).

I control the decision making process on:-	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	
a) Spending daily household expenses	1	2	3	4	5	Not Applicable
b) Spending from my savings	1	2	3	4	5	Not Applicable

c) Where to use the amount of earnings	1	2	3	4	5	Not Applicable
d) Sale/purchase of assets	1	2	3	4	5	Not Applicable
e) Spending on my personal health	1	2	3	4	5	Not Applicable
f) Spending on my children's /family health	1	2	3	4	5	Not Applicable
g) Spending on my education	1	2	3	4	5	Not Applicable
h) Spending on my children's education	1	2	3	4	5	Not Applicable

Q4 -Do you agree that microfinance helps your well-being and the welfare of your family? (Please rate the questions on the scale 1 to 5 provided below).

Participation in microfinance:	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	
a) Increase my formal education (school / college level degree)	1	2	3	4	5	Not Applicable
b) Increase the formal education of my children / family	1	2	3	4	5	Not Applicable
c) Increase my nutrition and health	1	2	3	4	5	Not
d) Increase the nutrition and health of my children / family	1	2	3	4	5	Not Applicable
e) Increase support from other family members (moral support, advice, and physical help)	1	2	3	4	5	Not Applicable
f) Decrease in household/family conflicts	1	2	3	4	5	Not Applicable
g) Increase encouragement from husband/family head to participate in activities for self-benefit.	1	2	3	4	5	Not Applicable

Q5 -Do you have increase in income and assets after training services from microfinance institution?

a) Increase in income or sources of income	Yes	No	Not Applicable
b) Increase in assets –house (purchase or construct house or improvement and renovation of house)	Yes	No	Not Applicable
c) Increase in assets – land for farming	Yes	No	Not Applicable
d) Increase in assets – land for building or vehicle	Yes	No	Not Applicable
e) Increase in household items (computer or sewing machine)	Yes	No	Not Applicable
f) Increase in spending on necessities (for example food or clothes)	Yes	No	Not Applicable

g) Increase in personal savings	Yes	No	Not Applicable

Many thanks for completing the questionnaire.

F O Aninze

Doctoral Researcher- Birmingham City University Birmingham, UK.

Appendix 4 Publication

Festus Aninze, Professor Javed Hussain, and Professor Hatem Elgohary (2018) “The Role of Microfinance to Empower Women: The Case of Developing Countries," Publication by International Journal of Customer Relationship Marketing and Management.
https://www.open-access.bcu.ac.uk/6848/