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FINANCIAL INCLUSION: NIGERIA'S MICROFINANCE MODEL EFFECT ASSESSMENT ON WOMEN EMPOWERMENT

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Abstract:

This study ascertained the significant effectiveness of Nigeria's microfinance model of financial inclusion on women empowerment. Following reforms in the financial system geared towards enhancing women financial inclusion and digitalization of financial products and services, its effect on women empowerment becomes imperative. Specifically, we evaluated the effect of available microfinance banks' products in rural communities via rent savings, child education, new born and daily savings account on women empowerment. A descriptive survey design was utilized to realize our objective. Two hundred (200) questionnaires were distributed to respondents, out of which one hundred and ninety (190) were fully completed and used for the analysis. After checking for internal reliability of the responses through the Alpha Cronbach's test, we proceeded to applying Pearson correlation and regression estimations. From the regression estimation, we identified a positive and significant relationship between women empowerment and microfinance banks' products: rent savings, child education, new born and daily savings account. Thus, microfinance model is a policy in the right direction that will result in more financial inclusion of the women population especially, in rural communities. Subsequently, we recommend the creation of more women tailored products by microfinance banks. This will avail them the opportunity to choose from variety of products and services that specifically suit their needs. Furthermore, collateral for women to access finance from these microfinance banks should be community/socially based rather than individually based.

Keyword: financial inclusion, microfinance products, women empowerment

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1. Introduction

Government of countries around the world have taking the issue of financial inclusion as a priority in policy formulation especially, for developing countries aimed at achieving economic growth and development. Access to financial services by rural population has the tendency of mobilizing funds for investments, production and capital market development. Research and scholarly studies have revealed that most financial institutions in developed and emerging economies have advanced financial initiatives/products for rural banking population. Integration of financial inclusion by the G20 leaders and indeed globally, is a key guidance for financial sector assessment and a pillar for multi-year global development agenda. The goal of financial inclusion seems to vary from country to country and several commitments and policies have been in difficult form for implementation. While the G20 countries dwell on comprehensive financial sector reform and development agenda, the centre for financial inclusion agency focuses on collaborative effort to enhance its goals. The government of Nigeria has pledged a target goal of reducing adults' financial exclusion. In Nigeria, the low-income earners constitute the largest proportion of the population. As a result, they control enormous chunk of the economy's idle funds, albeit held in small amounts in the hands of each of the several million members of this group, hence harnessing and accumulating these resources provide a huge source of cheap long-term investable capital (Kama & Adigun, 2013).

In July 2010, the United Nation created the UN Entity for gender equality and empowerment of women through access to financial resources among others. An inclusive financing system can significantly improve day-to-day management of finances, as well as reducing growth of informal sources of credit (such as money lenders), which are often found to be exploitative (Onaolapo, 2015). Women empowerment is essential for development of any economy particularly, for a developing economy like Nigeria where women are regarded as the weak gender and as such, only few women are appointed to head government agencies. The citizens see women contesting for elective positions as naive and not fit for leadership. Women financial inclusion assiduously gives privilege to women to cater for the family, motivate the moral of others in the society and spur development within their localities. Leading development practitioners have called for the prioritizing of women financial inclusion as a vehicle for promoting gender empowerment thus attention has been focused on microfinance model as a means to actualizing this objective. However, relying on the survey conducted by Improving Institutions for Growth (IIG) in 2015, considerable empirical researches suggest that financial inclusion in the form of access to savings accounts may also increase females' bargaining power in the household. Without access to a bank account, it is difficult to save. Cash being vulnerable not only to theft but to inflation, the unbanked find it expensive or practically impossible to transact with anyone outside their immediate surroundings (Kantaria, Chandrasekhar, Iskenderian & Miller, 2016).

Access to financial services survey by Enhancing Financial Innovation and Access (EFInA) in 2014, a financial sector development organization that promotes financial inclusion in Nigeria funded by the UK Government's Department for International Development (DFID) and the Bill and Melinda Gates Foundation show that 36.3% (33.9 million) are currently banked, 2.7% (2.5 million) previously banked, while 61.0% (57.3 million) of the population never banked. The population of female having accounts with financial system increased from 22% in 2012 to 33.6% in 2014. Similarly, female banking population increased to 29.4% in 2014 as against 14.4% in 2012. This is expected because of the financial inclusion programmes of the Central Bank of Nigeria (CBN) coupled with the fact that Nigeria is at a higher level of financial inclusion relative to other emerging economies in Sub Saharan Africa. In addition, only 0.8% of the population used mobile money services in 2014, and just 12.7% of the population was aware of mobile money services. In a speech by Dr Ngozi Okonjo Iweala in Lagos at a Diamond Bank partnership programme with Women's world banking counsel for Africa, an initiative focused on women's economic empowerment, financial inclusion and gender diversity in Africa, the former minister of finance stated that two billion people were excluded from financial inclusion. Furthermore, she said it had been argued that including 1.6 billion of them can raise local GDP by 6% by 2025, including more women in the financial system could add about 10 to 12 per cent to the Nigeria's gross domestic product (Thisdaylive, 2016).

The remainder of this study is structured as follows. Section two concisely treated the conceptual clarifications, theoretical background and empirical studies. Section three presents the methodology and data while section four features the data analysis and empirical results. Section five concludes the study and made some recommendations.

2. Review of Related Literature

2.1 Conceptual Exploration of Financial Inclusion and Exclusion

Financial inclusion in a lay man's language is providing savings, credits, payments and risk management products to people most especially, vulnerable and disadvantaged groups of people with a variety of needs at low costs. The concept of financial inclusion ensures a process that will appropriately market financial products and services, such as payments, savings deposits, insurance, credit facilities and pension to all sections of the economy, not excluding the vulnerable people in a transparent manner according to their needs and at affordable price when needed without any form of mismatches caused by institutional and regulatory players (Nair, 2014). The term financial inclusion came into limelight in the early 2000s, emanating from a research finding that emphasized poverty as a direct consequence of financial exclusion with the aim of ensuring that all adult members of the society have easy access to a broad range of financial products designed according to their needs and provided at affordable costs (Babajide, Adegboye & Omankhanlen, 2015). Driving financial inclusion to the targeted

audience is dependent on institutions, regulators, stakeholders and audience themselves in adopting diverse approaches and addressing their concern without compromising the objective of the programme. Ajakaiye (2013) and Nair (2014) note that financial inclusion in India is based on the bank led model, which leverage on technology that best suit citizens' requirements and enhance access to minimum banquet of products and services especially, the entrepreneurial credit products in the form of farm and non-farm credits.

In a similar way, Nigeria has installed policies and strategies for financial inclusion with great emphasis on female financial inclusion. The National Bureau of Statistic (NBS) in 2013 reported that poor access by large fraction of the population has affected real sector growth in Nigeria. Again, financial development indicators have shown no significant impact as Nigeria is rank low in financial inclusion indicators in Sub Saharan Africa. Both Indian and Nigerian models, and indeed emerging economies have had series of challenges in the areas of access and usage triggering from their delivery models, technology constraints, lack of professionalism and viability issues anchoring on financial infrastructures which have continued to be tardy and on many accounts, very unimpressive. The perception of financial inclusion products remain low as micro clients complained of unaffordable prices of such financial services.

Financial exclusion is the unavailability of banking services to people with low income or non-income earners. It can also be seen as the inability of individuals, households or group of people to access financial products and services to help them create employment, reduce poverty, and contribute to economic growth and development. It is believed to be one of the factors making poor people to continue to wallow in poverty, and by extension, it means that low or non-income earners are not commercially viable for mainstream financial services. Consequently, consumers may face actual exclusion because of a disability. Aigbogun (2013) sees financial exclusion as a process whereby people encounter difficulties accessing and/or using financial services and products in the financial markets that are appropriate to their needs, which in turn enable them to live a rational and normal social life in their preferred society. If an individual is financially excluded, he/she is socially excluded due to the fact that he or she now lives a withdrawing life as the potentials: looking for jobs, housing, quality education or healthcare will not be financially backed up, and by logical extension, he or she considers the environment not enabling. The good news is that the Consultative Group to Assist the Poor (CCAP) and economists are thinking in this direction to ensure an enabling environment for financial inclusion particularly, those in the rural areas. Table 1 shows the financial inclusion indicators of Nigeria as published by World Bank in 2014.

2.1.2 Status of Female Financial Inclusion in Nigeria

The information regarding women financial inclusion as contained in this sub-heading are solely based on the access to financial services in Nigeria survey 2014 by Enhancing Financial Innovation and Access (EFInA). The report of the survey discloses that 21.4

million females (42.7% of the total female population) are financially excluded versus 15.6 million males (35.8% of the total male population). In terms of financially excluded population profile, 36.9 million adults are financially excluded, of which 37.9% are in the 18 to 25 age bracket, 57.9% are female, 39.1% have no education, and 23.8% do not get an income. With regards to microfinance model, 2.6 million adults (2.8% of the adult population) have a microfinance bank account, of which 53.9% are male and 46.1% are female, suggesting that male are the largest beneficiary of the federal government of Nigeria microfinance policy of financial inclusion.

2.1.3 Barriers to Women Financial Inclusion in Nigeria

The major factors inhibiting women financial inclusion in Nigeria as supported by the findings of the access to financial services in Nigeria survey 2014 by Enhancing Financial Innovation and Access (EFInA) and Central Bank of Nigeria (CBN) report of 2013 are precisely discussed as follows:

A. Inadequate income or no income

The rate of unemployment in Nigeria is very high and women are mostly affected. Thus regular income and in most cases, no income characterized living conditions of women populace especially, in rural areas, making access to financial services very difficult even when there is genuine need for such fund by female population. Over 80% of the labour force and strategic positions are held by males in Nigeria.

B. Cultural Differences

The cultural differences among the ethnic groups in Nigeria pose a big problem to women financial inclusion. For instance, in the ethnic tribe of the Igbo, the males are considered the head of the family. No matter the income earned by a women, it must be in the custody of the male. This results in a situation where women in families secretly operate and manage bank accounts. Some tribes see women as house wives particularly, the Hausa's, and not meant/supposed to work rather, they should clearly handle kitchen and domestic affairs.

C. Cost of Financial Services

The cost of financial services is out of hand for average income earning women. The deposit money banks and microfinance banks charge as high as 27% to grant a facility, and mostly overdraft. This results in women not keeping their savings in banks but prefer to keep them with informal banking sectors mostly, corporative and thrift societies popularly called "Esusu" in the traditional affirmation of the Igbo tribe which offer a lower interest in comparison to deposit money banks, microfinance banks and other financial institutions in the country. The provision of long term financial services at lower cost are mostly by government established institutions for the purpose of economic growth and development. Nwakoby and Ananwude (2016) noted that a thrift and co-operative society operated by lectures in Nnamdi Azikiwe University, Awka, Nigeria extends up to N5 million to a member at 10% rate of interest compared to deposit money banks that will grant same amount at over 27% rate of interest. In this scenario, virtually all the members of this credit and thrift society in Nnamdi Azikiwe

University, Awka avoid financial services from deposit money banks, microfinance banks and other financial institutions. Attitudes towards finance and technology reveal that 49.8% of adults believe that taking loans should be avoided as much as possible. Similarly, Enhancing Financial Innovation and Access (EFInA) reported in 2014 that 49.3% of adults in Nigeria believe that they can easily live their lives without having a bank account.

Table 1: Financial Inclusion Indicators of Nigeria

Sub Saharan Africa	Lower Middle Income		
Population, age 15+ (million)	96.6	GNI per Capita	(\$) 2,710
	Country Data	Sub Saharan Africa	Lower Middle Income
Account (% age 15+)			
All adults	44.4	34.2	42.7
Women	34.0	29.9	36.3
Adults belonging to the poorest 40%	34.4	24.6	33.2
Young adults (% ages 15-24)	35.7	25.9	34.7
Adults living in rural areas	39.4	29.2	40.0
Financial Institution Account (% age 15+)			
All adults	44.2	28.9	41.8
All adults, 2011	24.7	23.9	26.7
Mobile Account (% age 15+)			
All adults	2.3	11.5	2.5
Financial Institution Account (% age 15+)			
Has debt card	35.6	17.9	21.2
Has debt card, 2011	18.6	15.0	10.1
ATM is the main mode of withdrawal (% with an account)	70.5	53.8	42.4
ATM is the main mode of withdrawal (% with an account), 2011	40.8	51.7	28.1
Use of Account in the Past Year (% age 15+)			
Used an account to receive wages	8.8	7.3	5.6
Used an account to receive government transfers	3.0	3.8	3.3
Used a financial institution account to pay utility bills	5.2	2.8	3.1
Other Digital Payment in the Past Year (% age 15+)			
Used a debit card to make payments	14.1	8.7	9.6
Used a credit card to make payments	1.9	1.9	2.8
Used the internet to pay bills or make payments	3.3	2.4	2.6
Domestic Remittances in the Past Year (% age 15+)			
Sent remittances	39.3	28.7	14.2
Sent remittances via a financial institution (% senders)	53.2	31.0	30.9
Sent remittances via a mobile phone (% senders)	4.6	30.8	7.7
Sent remittances via a money transfer operator (% senders)	8.9	21.0	18.3
Received remittances	45.3	37.2	17.8
Received remittances via a financial institution (% senders)	51.7	26.6	26.0
Received remittances via a mobile phone (% senders)	5.8	27.6	5.7

Received remittances via a money transfer operator (% senders)	10.1	22.1	16.6
Savings in the Past Year (% age 15+)			
Saved at a financial institution	27.1	15.9	14.8
Saved at a financial institution, 2011	23.6	14.3	11.1
Saved using a savings clubs or person outside the family	23.0	23.9	12.4
Saved any money	69.0	59.6	45.6
Saved for old age	16.3	98	12.6
Saved for a farm or business	31.7	22.7	11.8
Saved for education or school fees	32.5	22.9	20.0
Credit in the Past Year (% age 15+)			
Borrowed from a financial institution	5.3	6.3	7.5
Borrowed from a financial institution, 2011	2.1	4.8	7.3
Borrowed from a private informal lender	1.7	4.7	8.5
Borrowed any money	44.8	54.5	47.4
Borrowed for a farm or business	12.7	12.8	9.2
Borrowed for education or school fees	7.1	12.3	10.1
Outstanding mortgage at a financial institution	6.3	5.2	4.7

Source: www.worldbank.org

D. Lack of Financial Institutions in Rural Areas: There is no presence of financial institutions in the rural areas even microfinance banks rarely operate in rural areas. This is anchored on their aim to maximize wealth of shareholders and as such, operating in areas with inherent operating losses is out of place. Thus requiring government to bring financial services close to the rural populace through various programmes and policies.

E. Financial Literacy

The level of illiteracy among females are very high relative to male counterparts. This is part of the reason why women constitute the largest population that are unbanked in the country. Women who even have bank accounts avoid using ATMs, mobile money, etc. for the fear of cybercrime and fraud even when it is very obvious that such crime is impossible by cautiously following the instructions and guidelines in operating such technology payment delivery devices.

F. Identification Confirmation

The most popularly accepted means of identification for account opening is the voter's card held by 71.3 million adults (76.3% of the total adult population). This is followed by driver's license and national identification card. Most women have none of these means of identification; hence, access to financial services is deterred. This deficiency resulted in the introduction of Three-Tiered Know Your Customer (KYC) requirements by Central Bank of Nigeria for flexible account opening requirements for low- and medium-value account holders.

2.1.4 Private Sector Initiatives for Women Financial Inclusion in Nigeria

A. Diamond Bank of Nigeria BETA target savers account and Diamond Woman

This account was structured specifically for women to improve financial inclusion and increase bank's customers' base as well. The account permits a woman to make savings for child birth, children education and health. A woman who operates this account gets loan termed "BETA Kwik loan" without collateral through the BETA technology platform. The diamond woman was organized to provide lifestyle and advisory business services to only women account holders

B. Access Bank of Nigeria "W" Initiative

This is an initiative by Access Bank to cater for women needs supported by an online interactive community dedicated to women. The "W" initiative offers privilege for women and their families to access a wide range of loan products and credit facilities; access to the 'W' community with helpful advice on family and financial matters; home and family articles and details of special offers; and access to a wide range of discounts, special offers and freebies on health, beauty and fitness (Accessbankplc.com, 2016).

C. One Woman, One ID Card

This was an initiative launched by the United Nation women in partnership with the Zamani Foundation, MasterCard, and the National Identity Management Commission in Kaduna State as the starting point. The aim was to reduce the number of women who cannot have an account with a bank due to poor identification confirmation. In the "One Woman, One ID Card" initiative, women are provided with funds and business trainings.

2.1.5 Nigeria Financial Inclusion Strategy

Nigeria Financial Inclusion Strategy (NFIS) was launched in 2012 by the government with aim of reducing the number of her citizen excluded from financial services from 46.3% in 2010 to 20% in 2020. The Strategy also outlined targets for services such as payments, savings, credits, insurance and pensions as well as channels of accessing the services like automated teller machines. National Financial Inclusion Steering Committee and National Financial Inclusion Technical Committee, chaired by the Governor of Central Bank of Nigeria and Deputy Governor respectively, were ushered to ensure implementation of the Nigeria Financial Inclusion Strategy. The Technical Committee in proffering solutions to critical financial inclusion barriers in Nigeria created four groups: Financial Inclusion Channels Working Group (FICWG), Financial Inclusion Products Working Group (FIPWG), Financial Inclusion Special Interventions Working Group (FISIWG) and Financial Literacy Working Group (FLWG). The groups have work assiduously to deepening financial inclusion in the country. Table 2 shows the milestones achieved based on the financial newsletter of the Central Bank of Nigeria, 30th January, 2016.

Table 2: Milestones Achieved by Technical Committee Groups

Working Group	Approved Activities from Work Plan	Milestones Achieved
Financial Inclusion Channels Working Groups (FICWG)	<ul style="list-style-type: none"> • Implementation of Shared Agent Network • Distribution Channels for the Capital Market • Agent Banking Adoption • Implementation of the Bancassurance Guidelines • Provision of Internet Access in the 774 LGAs 	<ol style="list-style-type: none"> 1. Approval of the framework for licensing Super Agents to drive Shared Agent Network by the Central Bank of Nigeria 2. Development of Terms of Reference for Research Study on Adoption of Agent Banking in Nigeria
Financial Inclusion Products Working Group (FIPWG)	<ul style="list-style-type: none"> • Micro Insurance and Insurance Protection Framework • Harmonization and Integration of identification Schemes <ul style="list-style-type: none"> • Introducing the Micro Pension Plan • Issuance of Government-backed Savings Security / Certificate • Development of Financial Inclusion Strategy for the Capital Market • Implementation of the Secured Transactions in Movable Assets and Collateral Registry 	<ol style="list-style-type: none"> 1. Approval of creation of a Department in PenCom to handle coverage of informal pensions 2. Approval of the Framework for National Collateral Registry by the Central Bank of Nigeria 3. Implementation of a Pass-Through Deposit Insurance Framework for mobile money subscribers by the Nigerian Deposit Insurance Corporation (NDIC)
Financial Inclusion Special Interventions Working Group (FISIWG)	<ul style="list-style-type: none"> • Concept Paper on "In-kind Credit Disbursement" • Survey on Financial Inclusion of People Living With Disabilities (PLWD) • Youth Empowerment Programmes 	<ol style="list-style-type: none"> 1. Development of Terms of Reference for financial inclusion Research Study on People Living with Disabilities 2. Bank of Industry (BOI) launched a Fashion Fund for women 3. Initiation of a partnership with government agencies to support youth empowerment
Financial Literacy Working Group (FLWG)	<ul style="list-style-type: none"> • Curriculum Development • Mass Sensitization • School Reach out 	<ol style="list-style-type: none"> 1. Approval of the Financial Literacy Framework 2. Execution (signing) of the MoU with the Nigerian Educational Research Development Council for the development and integration of National Financial Literacy in Schools curriculum 3. Implementation of over 25 financial literacy school excursions with over 1,500 participants by the Nigerian Stock Exchange

Source: Central Bank of Nigeria, 2016

2.1.6 Nigeria Microfinance Policy

The Nigeria microfinance policy came to light in 2005 to provide financial services to the poor and low income earners as a way of deepening financial inclusion in the country, with emphases on rural women. The microfinance policy gave the supervisory and regulatory framework that will not only facilitate the growth of privately-owned microfinance institutions but also permits and facilitates the participation of mostly, the third sector institutions, including market associations, cooperatives, non-governmental organizations and self-help groups among others in the microfinance model (Kama & Adigun, 2013). With the effect of the microfinance policy, many users of informal banking sector have been captured. The total assets of microfinance banks in Nigeria increased from ₦55,145.8 million in 2006 to ₦343,883.1 million in 2015. The deposits received from poor and low income earners significantly increased to ₦159,453.5 million as against ₦34,017.7 million in 2006. In the same vain, the total loans extended to the poor and low income earners rose to ₦149,325.5 million in 2015 compared to ₦16,450.2 million in 2006. The rise in the key performance indices of microfinance banks in Nigeria is an indication that the microfinance policy of the government has really impacted on the performance of microfinance banks with the ultimate aim to deepening financial inclusion of women in Nigeria.

2.2 Theoretical Underpinning

The theoretical nexus between finance and economic development and growth cannot be over stated. When it comes to the issue of women financial inclusion and empowerment, the finance led growth postulation comes to mind. There is a widely held believe in the Igbo ethnicity of Nigeria that women make more savings than men. Again, women are saving anywhere from 7 percent to 16 percent more than men, depending on income level (O'Brien, 2016). Research conducted by Women's World Banking's research has revealed that women are inherent savers, managing to save an average 10% to 15% of their earnings despite low and often unpredictable incomes. The mobilization of savings in the informal sector of the economy will have a long way in improving women empowerment, economic growth and development. The finance led growth theory postulated by Mckinnon and Shaw (1973) envisages the significant effect of financial development on economic growth and development because, creation of financial institutions and markets improves the supply of financial services, which enhances economic growth. The theory is based on lower cost of acquiring information, as financial intermediaries can reduce information costs by acquiring and comparing information about many investment opportunities in the interest of all their savers and by ensuring that resources are efficiently allocated to best projects. This is supported by Goldsmith (1969) who advocated for a positive link between financial development and economic growth flowing from financial development to economic growth.

2.3 Related Research on Financial Inclusion and Women Empowerment

Literature on financial inclusion and women empowerment are scarce especially, for an emerging economy like Nigeria. Mathew and Kurian (2016) highlighted the representation of Women in Self Help Groups (WSHGs) and SHG-Bank Linkage programmes undertaken by the Government of India (GOI) and National Bank for Agriculture and Rural Development (NABARD) and try to establish that these initiatives have improved women's access to finance in India. The study ascertained that all these efforts have improved women's access to finance in India especially, in the rural regions. This is evident from the statistic which shows that women's accessibility to credit has increased from 7474 crores in 2007-08 to 24419.75 crores in 2014-15 (SHG credit linked over the years, NABARD, 2007-2015). The improvement in credit savings of women eventually created a huge impact in the inclusion factor of the country.

Rahman (2015) brought forth how ICTs can be leveraged to empower women entrepreneurs by drawing from recent developments in the realm of policies and practices in Bangladesh and elsewhere. The paper showed that leveraging ICTs for women entrepreneurs could have large implication for women empowerment and economic independence of rural and marginalized women in Bangladesh. Drawing from recent experiences in Bangladesh and other developing countries in Asia and Africa, the paper argues that both targeted and broad-based measures are required to create conditions that adequately take into account issues of women's access, usage, ownership, needs and relevance of digital contents and platforms in order to leverage ICTs for promoting women entrepreneurship.

Yaumidin, Yanuarti, Suhodo and Hidayatina (2014) determined women understanding of women empowerment and measured the impact of Islamic microfinance on women empowerment in Indonesia. The study adopted a quasi-experimental framework where 240 questionnaires were distributed to selected respondents. The findings revealed that microfinance model has significantly enhanced women empowerment in Indonesia. Deka (2015) dealt with the importance of women's financial inclusion, women's specific financial needs in respect to men's, functions of finance and role of women, growth, development, financial inclusion and financial literacy as a tool for women empowerment in India. The paper calls for women empowerment by means of effective financial inclusion and financial literacy by studying the relationship between women empowerment and financial inclusion.

Reychav, Parush, McHaney, Hazan and Moshonov (2016) focused on a conceptual framework that can be applied to the use of mobile technology in the waiting room with the goal of empowering women recently diagnosed with abnormal Pap test results. It further describes trend which indicates a need for improved and timely information dissemination. Gynecology practice outpatients reports a predominant feeling of worry on receipt of abnormal medical test results, along with a clearly expressed wish for additional information. This research suggests that there is room for improvement in existing processes through use of mobile technology with carefully vetted materials which indicates a doctor is interested in the patient's well-

being. Improving Institutions for Growth (IIG) in 2015, assessed the impact of microfinance on women empowerment. The result of the survey entailed that microfinance has the potential to augmenting the economic empowerment of adolescent girls, when provided alongside life and livelihood skills training. Community-based microfinance institutions have a particularly high take-up by women, suggesting that it is the women in these rural communities who have a particularly high unmet demand for savings and credit services.

2.4 Purpose of the Study

The purpose of this study is to assess the effect of microfinance products on women empowerment in rural communities of Mbaise, Imo State, Nigeria.

The directional hypothesis thus: Microfinance products have no significant effect on women empowerment in rural communities of Mbaise, Imo State, Nigeria.

3. Methodology

The source of population was selected women customers of Ogbe-Ahiara Microfinance Bank, Ahiazu Mbaise, Uguru Microfinance Bank, Abor Mbaise and Ihitte Microfinance Bank, Ezinihitte Mbaise, Imo State. The data collected from questionnaires were processed and the results were developed into inferential statistics. The choice was motivated by the selected microfinance banks proximity to the researchers. Besides, the selected microfinance banks have the highest customer base in the three local government: Ahiazu Mbaise, Abor Mbaise and Ezinihitte Mbaise that house the Mbaise people of Imo state.

3.1 Sampling Technique and Sample Size

A population of 400 women customers was estimated and a sample size of 200 selected through the application of Yaro-Yamani sampling technique. A purposive sampling approach were at least 66 customers were selected from each of the three (3) microfinance banks was utilized to assist the researchers in succinctly focusing on customers capable of providing information for effective assessment of microfinance model.

3.2 Reliability, Design and Validity of Research Instrument

The questionnaire drafted by the authors was given to the managers of the three microfinance banks to ensure that financial inclusion indices are incorporated in the questionnaire items. In addition, the reliability of the responses were checked using the alpha Cronbach's estimation. Tables, percentages and five-point Likert scale were used in presenting the data. The objective and hypothesis were analyzed using ordinary least square regression estimation and Pearson correlation analysis.

4. Data Presentation, Results and Discussion

4.1 Data collection

A total of two hundred (200) questionnaires were distributed to respondents. As shown in Table 3, out of 200 questionnaires, 190 were fully completed thus indicating a response rate of 95%. Ten (10) questionnaires (5%) were not fully completed and subsequently discarded.

Table 3: Distribution of Respondents

No of Questionnaires	Number Fully Completed	Number Not Fully Completed	Percentage of Fully Completed	Percentage of Not Fully Completed
200	190	10	95	5

Source: Field Survey May, 2017

A. Age Distribution of Respondents

As shown in Table 4, 45.8% of the respondents are between 26 – 35 years, 24.2% are between 36 – 45 years, while 30% are 46 years and over.

Table 4: Age Distribution of Respondents

Age	Respondents	Percentage of Respondents
26-35 years	87	45.8
36-45 years	46	24.2
46 years and over	57	30.0
Total	190	100

Source: Field Survey May, 2017

B. Distribution of Respondents on the basis of education

Table 5 presents the educational level of respondents. 54.21% of the respondents had primary education, 31.58% hold SSCE and 7.90% have a Diploma/Equivalent, while 5.26% hold a B.Sc./HND and 1.05% a postgraduate degree.

Table 5: Distribution of Respondents on the basis of education

Qualifications	Respondents	Percentage of Respondents
Primary Education	103	54.21
SSCE	60	31.58
Diploma/Equivalent	15	7.90
BSc/HND	10	5.26
Postgraduate Degree	2	1.05
Total	190	100

Source: Field Survey May, 2017

C. Distribution of Respondents on the basis of marital status

As can be seen in Table 6, 5.80% of the respondents are single, 75.80% are married, 2.60% divorced and 15.80% are widows/widowers.

Table 6: Distribution of Respondents on the basis of marital status

Marital Status	Respondents	Percentage of Respondents
Single	11	5.80
Married	144	75.80
Separated	05	2.60
Widow (er)	30	15.80
Total	190	100

Source: Field Survey May, 2017

D. Distribution of Respondents on the type of account with microfinance banks

Table 7 shows that 53.68% of the respondents have a savings account, 31.05% have a current account, 13.16% have a fixed deposit account, and 2.11% hold the three types of account.

Table 7: Distribution of Respondents on microfinance account type

Account Type	Respondents	Percentage of Respondents
Savings Account	102	53.68
Current Account	59	31.05
Fixed Deposit Account	25	13.16
All three Accounts	4	2.11
Total	190	100

Source: Field Survey May, 2017

E. Distribution of Respondents on business ventures

Table 8 shows that 44.21% of the respondents are into trading, 28.42% into service ventures, 17.37% into processing, while 10.0% are into manufacturing.

Table 8: Distribution of Respondents on business ventures

Business Ventures	Respondents	Percentage of Respondents
Trading	84	44.21
Servicing	54	28.42
Processing	33	17.37
Manufacturing	19	10.00
Total	190	100

Source: Field Survey May, 2017

F. Distribution of Respondents on factors affecting their financial inclusion

Table 9 indicates that 34.21% of the respondents see inadequate income as hindrance to financial inclusion, 18.42% for cultural differences, 7.37% for identification confirmation, and 26.32% for cost of financial services while 13.68% for financial illiteracy.

Table 9: Distribution of Respondents on factors affecting financial inclusion

Financial Inclusion Factors	Respondents	Percentage of Respondents
Inadequate income	65	34.21
Cultural differences	35	18.42
Identification confirmation	14	7.37
Cost of Financial Services	50	26.32
Financial Illiteracy	26	13.68
Total	190	100

Source: Field Survey May, 2017

G. Distribution of Respondents income profile

Table 10 presents the income profile of respondents. 33.16% of the respondents earn N5,000 - N20,000 monthly, while 23.68% N21,000 – N40,000 monthly and 20.53% earn N41,000 - N60,000, while 14.21% N61,000 - N100,000 and 8.42% above N100,000 monthly.

Table 10: Distribution of Respondents on income profile

Income Profile	Respondents	Percentage of Respondents
5,000 – 20,000	63	33.16
21,000 – 40,000	45	23.68
41,000 – 60,000	39	20.53
61,000 – 100,000	27	14.21
100,000 and above	16	8.42
Total	190	100

Source: Field Survey May, 2017

H. Distribution of Respondents number of household (Number of children)

Table 11 evidences that 13.16% of the respondents have 1-2 children, 28.42% have 3-5 children, 47.37% have 4-6 children and 11.05% have above 6 children.

Table 11: Distribution of Respondents on the basis of household

Household	Respondents	Percentage of Respondents
1-2	25	13.16
3-5	54	28.42
4-6	90	47.37
6 and above	21	11.05
Total	190	100

Source: Field Survey May, 2017

4.2 Alpha Cronbach's Reliability Test

To ensure internal reliability of the customers' feedback, alpha Cronbach's reliability test was conducted. The alpha Cronbach's statistic for all constructs were over 0.60, thus there was adequate reliability and validity of responses. Table 12 presents the alpha Cronbach reliability test.

Table 12: Responses on Women Empowerment and Microfinance Products

Construct	Items	Alpha Cronbach
Women Empowerment	In my opinion based on group membership/micro client, microfinance banks have really served the rural dwellers	0.98
	The loan utilized improved the standard of living of my household	
	Apart from the loan collected, I have enjoyed other type of service or assistance from microfinance banks	
	There is an intervention effect of microfinance products on beneficiaries well being	
Microfinance Products	I have been able to pay my house rent via savings in my rent savings account	0.94
	My children school fees are paid as at when due with the money on my child education savings account	
	My savings in New Born Account tremendously assisted me in offsetting my hospital bill in the course of child birth/post-natal care	
	My daily contribution to daily savings/savings account caters for my family monthly feeding expenses	

Source: SPSS 22.0 Data Output

4.3 Women Empowerment and Microfinance Products Distribution of Respondents Distribution of Respondents based on Empowerment Received

On the respondents' level of empowerment/benefit received from microfinance banks, the study depicts in Table 13 that the respondents' ability to effectively utilize the loan for improving standard of living of household is the most impressive empowerment with a mean score of 4.5. In the second place is the different financial services and assistance received from the banks (mean score of 4.4). The capability of microfinance banks to serve the rural dwellers as well as the intervention effect of microfinance products on beneficiary well-being were jointly on the third place with the mean score of 4.3.

Table 13: Distribution of Respondents based on Empowerment Received

Empowerment Received	SA	A	UD	DA	SD	TS	STD	M	R
In my opinion based on group membership/micro client, microfinance banks have really served the rural dwellers	98	76	2	5	9	819	45.47	4.3	3 rd
The loan utilized improved the standard of living of my household	124	46	5	9	6	861	51.02	4.5	1 st
Apart from the loan collected, I have enjoyed other type of service or assistance from microfinance banks	133	39	1	7	10	848	55.09	4.4	2 nd
There is an intervention effect of microfinance products on beneficiaries well being	99	78	2	3	8	827	46.75	4.3	3 rd

Source: Field Survey December, 2016

Note: SA=Strongly Agreed; A=Agreed; SD=Strongly Disagreed; DA=Disagreed; UD=Undecided; TS=Total Score; STD-Standard Deviation; M=Mean and R=Rank

A. Distribution of Respondents on Microfinance Products

As shown in Table 14, daily savings account was considered the best microfinance products in rural Mbaise communities with a mean of 4.6. This is followed by child education savings account with a mean score of 4.5. In the third place is the rent savings account: 4.3 as mean score and finally, new born savings account in fourth place with the lowest mean score of 4.2.

Table 14: Distribution of Respondents based on Microfinance Products

Microfinance Products	SA	A	UD	DA	SD	TS	STD	M	R
I have been able to pay my house rent via savings in my rent savings account	92	80	9	5	4	821	44.06	4.3	3 rd
My children school fees are paid as at when due with the money on my child education savings account	133	44	8	2	3	872	55.86	4.5	2 nd
My savings in New Born Account tremendously assisted me in offsetting my hospital bill in the course of child birth/post-natal care	75	93	12	5	5	798	42.57	4.2	4 th
My daily contribution to daily savings/savings account caters for my family monthly feeding expenses	144	31	6	2	7	873	60.34	4.6	1 st

Source: Researcher's Field Survey December, 2016

Note: SA=Strongly Agreed; A=Agreed; SD=Strongly Disagreed; DA=Disagreed; UD=Undecided; TS=Total Score; STD-Standard Deviation; M=Mean and R=Rank

4.4 Pearson Correlation

Table 15 unveils the correlation between women empowerment and microfinance banks' products. There is a positive correlation relation between women empowerment and microfinance banks' products: rent savings account, child education savings account, new born savings account and daily savings account. The correlation between these microfinance banks' products and empowerment of women in Mbaise rural communities is statistically significant at 5% level except for new born savings account.

4.5 OLS Regression

4.5.1 Women Empowerment and Microfinance Banks' Products

The variation in the dependent variable due to changes in the independent variable which is the Adjusted R squared in Table 16 is 0.99. This implies that 99.0% variation women empowerment in rural Mbaise communities was as a result of microfinance banks' products. R is the correlation coefficient which shows the relationship between the variables; there was a strong positive relationship between women empowerment and microfinance banks' products (0.996). From the ANOVA statics in Table 17, the value of significance (p-value) is less than 5%, an insinuation that the data are suitable to draw inferences on the population parameters.

4.6 Test of Hypothesis

A. Decision Criteria

Where the p-value of the variable(s) concerned is less than 0.05 (5% level of significance), the null hypothesis is rejected and the alternate hypothesis accepted. On the other hand, if the p-value is greater than 0.05 (5% level of significance), the null hypothesis is accepted and the alternate hypothesis rejected.

B. Hypothesis Restatement

H₀: Microfinance banks' products have no significant effect on women empowerment in rural communities of Mbaise, Imo State, Nigeria.

Table 18 shows that microfinance banks' products significantly and positively affect women empowerment in rural Mbaise communities. In this regard, the null hypothesis that Microfinance banks' products have no significant effect on women empowerment in rural communities of Mbaise, Imo State, Nigeria is rejected on the ground that the p-value of microfinance banks' products are significant (5% level of significance).

Table 15: Correlation between Women Empowerment and Microfinance Banks' Products

		Women Empowerment	Rent Savings Account	Child Education Savings Account	New Born Account	Daily Savings Account
Women Empowerment	Pearson Correlation	1	.949*	.978**	.845	.948*
	Sig. (2-tailed)		.014	.004	.072	.014
	N	5	5	5	5	5
Rent Savings Account	Pearson Correlation	.949*	1	.877	.969**	.809
	Sig. (2-tailed)	.014		.051	.006	.098
	N	5	5	5	5	5
Child Education Savings Account	Pearson Correlation	.978**	.877	1	.733	.991**
	Sig. (2-tailed)	.004	.051		.159	.001
	N	5	5	5	5	5
New Born Account	Pearson Correlation	.845	.969**	.733	1	.640
	Sig. (2-tailed)	.072	.006	.159		.244
	N	5	5	5	5	5
Daily Savings Account	Pearson Correlation	.948*	.809	.991**	.640	1
	Sig. (2-tailed)	.014	.098	.001	.244	
	N	5	5	5	5	5

*. Correlation is significant at the 0.05 level (2-tailed).

** . Correlation is significant at the 0.01 level (2-tailed).

Table 16: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.996 ^a	.993	.990	4.74590

Source: SPSS 22.0 Data Output

Table 17: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	9275.054	1	9275.054	411.794	.000 ^b
1 Residual	67.571	3	22.524		
Total	9342.625	4			

Source: SPSS 22.0 Data Output

Table 18: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.456	2.845		-.160	.883
Rent Savings Account	1.012	.050	.996	20.293	.000
1 Child Education Account	2.325	.035	.834	16.253	.000
New Born Account	1.963	.049	.896	18.014	.000
Dialy Savings Account	3.053	.029	.951	20.015	.000

Source: SPSS 22.0 Data Output

Table 18 reveals that if microfinance banks' products remain stagnant, women empowerment would be -0.456. There is a positive and significant relationship between women empowerment and microfinance banks' products: rent savings, child education, new born and daily savings account. Rent savings, child education, new born and daily savings account coefficient of 0.996, 0.836, 0.896 and 0.951 suggest that the introduction of more microfinance banks' products or the modification of existing products to fit our ever changing environmental reality would result in a 99.6%, 83.4%, 89.6% and 85.1% unit increase in women empowerment.

5. Discussion of Findings

From the analysis of questionnaire responses, it is observed that women in rural Mbaise communities are beginning to appreciate the gains of financial inclusion. This is evidence in the increase in the number of clients of Ogbe Ahiara microfinance banks from 3, 500 in 2006 to 11,260 as at 31st December, 2016. Inadequate income is still seen as the most inhibiting factor to women financial inclusion. This is in unison with the findings of Enhancing Financial Innovation Access (EFInA) 2014 financial inclusion survey in Nigeria that poverty level among the different ethnic groups in Nigeria restricts women financial inclusion. It also agrees with Mathew and Kurian (2016) who empirically established that improvement in credit savings of women eventually

created a huge impact in the inclusion factor in India; Yaumidin, Yanuarti, Suhodo and Hidayatina (2014) who observed that microfinance model has significantly enhanced women empowerment in Indonesia and Improving Institutions for Growth survey of 2015 showed that microfinance model has the potential to augmenting economic empowerment of adolescent girls, when provided alongside life and livelihood skill trainings.

6. Conclusion and Policy Implications

Financial inclusion has tremendously received awesome attention in recent times particularly, in developing countries owing to its critical role in mobilizing informal sector funds, and channeling same to the financial system for economic development, growth and reduction of poverty. The finding of this study has envisaged the significant effect of microfinance banks' products in empowerment of women in rural communities of Mbaise, Imo State. In conclusion, microfinance institutions through the microfinance products: rent savings account, child education savings account, new born account and daily saving account have the capacity to enhancing the empowerments of rural women dwellers.

With regard to the results emanating from this study, the following recommendations are put forward:

- Creation of more women tailored products by microfinance banks. This will avail them the opportunity to choose from variety of products that specifically suit their needs.
- Women in their organized forms should visit microfinance banks and deposit money banks for increased inclusion in line with the 2016 of "leave no woman behind" by United Nation Commission on the Status of Women (UNCSW).
- Non-governmental organizations should initiate with the leadership of women to lead delegation to their representatives in Local, State and Federal Government with position paper on support and enhancing financial inclusion especially, full disbursement of the 20% as contained in Central Bank of Nigeria policy on women financial inclusion.
- Collateral for women to access finance from these microfinance banks should be community/socially based.
- Formation of men-care support group campaign to ensure their role as guarantor following adequate capacity building and incentives such as distribution of polo and t-shirts.

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