Microfinance, Women's Entrepreneurial Development and Empowerment in Nigeria.

By

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ABSTRACT

The literature and applied studies report that microfinance is an effective tool to tackle poverty, gender inequality, female disempowerment and financial dependency issues. Earlier studies on microfinance reported successes in Bangladesh (Pitt and Khandker,1998) and some Latin American countries (Bolivia) (Velasco & Marconi, 2004). However, the findings of these studies have been overshadowed by recent studies that have reported weak (Ganle, et al., 2015) and sometimes negative microfinance outcomes in other regions (Salia et al., 2018; Karim, 2011). These mixed results have raised doubts about the effectiveness of microfinance and its relevance to promoting women development, especially when donor funding is declining.

This empirical study investigates the impact of microfinance intervention on women's empowerment and entrepreneurial development by analysing microfinance interventions and the perspectives of women service users in Nigeria. I drew data for the study from secondary sources, 350 questionnaire responses, 11 focus groups interviews with the women clients, 28 one-to-one interviews with loan officers and heads of a Non-government organisation (NGO) microfinance. Using qualitative, Chi-square, Analysis of variance (ANOVA) and Ordinal regression. The analysis found that access to microcredit, training and mentoring services supports women microenterprises: increased awareness and use of formal financial services and increased business assets and the development of critical soft business skills. This further leads to enhancing the contribution to household decision-making, autonomy in decision-making and decreases in family dispute often triggered by lack of money. Evidence shows that women's social capital development was realised through taking part in group meetings which encouraged social solidarity, mutual support and business networking amongst women entrepreneurs. However, control of spending on household assets (land, building) remains the exclusive prerogative of the male household heads. The results of the study support the previous literature (Swain & Wallentin, 2017; Kabeer, 2010) mainly based on South Asian economies that microfinance support for women positively affects their entrepreneurial development, raises equality levels and reduces their dependency on male household heads. Finally, the study suggests that microfinance efforts at promoting women's empowerment may produce better outcomes within a larger framework that includes the cultural acceptance of women ownership and the control of family assets.

DEDICATION

I dedicate this thesis to my beloved Father, Nkem S. Nkwocha, who provided a significant financial contribution to my studies and my mother, Emelda Nkwocha, for her endless love, exceptional guidance and effective prayers.

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CHAPTER ONE

INTRODUCTION, STATEMENT OF THE PROBLEM, AIMS, OBJECTIVES, RESEARCH QUESTIONS AND STRUCTURE OF STUDY.

1.0 Introduction and Statement of the Problem

Microfinance is widely acknowledged as an important tool for financial inclusion, poverty reduction and women's empowerment (Khandker & Samad, 2013; Hossain & knight, 2008; Karlan & Zinman, 2010; Kumar et al., 2013). Morduch (2000) asserts that only a few recent innovations have generated as much hope for poverty reduction in developing countries as microfinance has. Many scholars perceive microfinance as a vital mechanism in achieving the sustainable development goal to eliminate extreme poverty, hunger and to promote gender equality (Loewe & Rippin, 2015; Klapper, et al., 2016). The enthusiasm for microfinance is largely based on the assumption that microfinance has the capacity to effectively provide sustainable financial services to the poor and to unbanked households who are excluded from mainstream financial services due to lack of collateral (Quinones & Remenyi, 2014). In their report, the Consultative Group to Assist the Poor (CGAP) (2009) cited several evidenced backed achievements of microfinance: the eradication of poverty and hunger, the promotion of gender equality and the empowerment of women, a reduction in child mortality, universal primary education and improvements in maternal health. Setting aside the euphoria surrounding microfinance, a pertinent question persists, whether microfinance has positive outcomes for all regions.

The above question has polarised the microfinance literature: at one end of the spectrum studies (Okibo & Makanga, 2014; Mahmood, et al., 2014; Goldberg, 2005; Imai, et al., 2012) suggest microfinance has a positive outcome for beneficiaries. On the other side of the spectrum, studies (Pham & Lensink, 2008; Bateman, 2013; Attanasio, et al., 2015) found microfinance interventions have negative outcomes. However, studies (Hulme & Mosley, 1996; Hulme & Shepherd, 2003; Shepherd, 2011) found that microfinance benefits the poor but also argue that it does not benefit the poorest as is often claimed. The disparities in the findings from these studies suggest that there is no universal conclusive agreement whether microfinance is an effective tool for poverty reduction and gender equality.

Furthermore, results from earlier studies which had reported positive microfinance outcomes have recently been identified to have data errors or methodological flaws. For instance, Pitt and Khandker's (1988) study of microfinance in Bangladesh, which was considered, at the time, to be one of the most rigorous studies, reported a positive effect of microfinance on female and household poverty reduction. However, using the same panel data employed by Pitt and Khandker (1988), later studies from Morduch (1998) found no significant impact of microfinance on poverty reduction. Morduch's study shows no evidence of an increased consumption level or in the education of borrowers' children compared to non-borrowers. Roodman and Morduch (2009) questioned Pitt and Khandker's (1988) study on the grounds of methodological weakness. Both authors contend that Pitt and Khandker's (1988) study lacks conclusive statistical evidence to substantiate their assumptions. The mixed findings discussed above suggest a need for more rigorous microfinance impact studies.

Women's entrepreneurship and empowerment are considered to be important as gender inequality issues in developing countries are considered to be barrier's to improving the wellbeing of the poor. However, the availability of data in some regions and the lack of access to data in others implies that some regions have a better representation of the gender issues whilst others have very little understanding of the issues. Therefore, the dearth of empirical studies on the impact of microfinance on women's entrepreneurship and empowerment suggests there is a gap, hence the justification for further research. In addition, research on non-government or big donor funder MFIs is limited and studies that assess microfinance's impact from the perspectives of female clients are lacking in the microfinance literature. This has resulted in a fragmented understanding of how microfinance works and how it affects women's entrepreneurial development. The contribution of this study is that it attempts to fill the gap in the literature by investigating how microfinance interventions are implemented in Nigeria and assess the benefits of such interventions for women enterprises and their empowerment. The study also contributes to the entrepreneurship literature by contextualising women-owned business to capture the structural and cultural factors that have an impact on the characteristics of women-owned enterprises and shape their development paths and strategies as well as resources available to them (Welter et al., 2017). Zahra (2007) argues that paying more attention to the nature, dynamics, uniqueness and limitations of the context improves rigour, relevance and enriches the future entrepreneurial study.

This chapter is organised as follows: (1) Introduction and statement of problem; (2) Aim and Objectives of the study; (3) Research questions and Scope of the study; (4) Country background and Rationale of the Study; (5) Microfinance sector in Nigeria and its Challenges; (6) Structure of the Study

1.1 Aim and Objectives of the Study

1.1.1 Aim of the Investigation

The aim of this research study is to investigate the impact of microfinance on women's entrepreneurship and empowerment in Nigeria.

1.1.2 Objectives

1) To examine the characteristic factors that constrain or facilitate women's access to and utilisation of microfinance services in Nigeria.
2) To analyse, using the exploratory model from the literature, the impact of microfinance on women's entrepreneurial development and empowerment in Nigeria.
3) To derive a conceptual model for microfinance institutions to effectively deliver finance to women entrepreneurs in Nigeria.
4) To develop policy recommendations for microfinance institutions and? donors in the microfinance sector and government.

1.2 Key Research Questions

This study seeks to understand how the various components of microfinance intervention affect women's entrepreneurship and empowerment within their households. In this context, the overall research question of this thesis is: How does access to microfinance services affect women's entrepreneurial development and empowerment? To answer the research question three main questions were formulated from the literature review. Therefore, the following research questions resulted from the literature review will explore the focal point of this research:

1.3 What characteristic factors constrain women's access to microfinance in Nigeria?

The first research question is concerned with the unique characteristic factors of women entrepreneurs that facilitate or impede their access to and utilization of microfinance. The findings from the literature review suggest that certain demographic factors such as the age of woman, level of education, engagement in microenterprise and the nature of the business constrain their access to microfinance. These factors are examined to enable the study to identify variables that may constrain or facilitate women's entrepreneurship and empowerment. The intention is to discard factors that may impede women and to further develop those that apparently facilitate women's enterprise and empowerment.

1.3.1 Does participation in microfinance initiatives contribute to the development of women's entrepreneurship in Nigeria?

The second research question that emerged from the literature review relates to the role of microfinance in promoting the economic activities of women micro-entrepreneurs. In the context of this study, microfinance services are described as microcredit, business training, savings and social networking (see Section 2.2 for more detail). On the other hand, women's entrepreneurship development is concerned with enterprise growth and entrepreneurial skills development. Thus, the relationship between microfinance services and women entrepreneurs, how microfinance impact on women entrepreneur's asset acquisition, employment generation, communication and self-esteem are reviewed and analysed.

1.3.2 Does access to microfinance services economically empower women and increase their social capital?

The third research question is concerned with the role of microfinance in promoting women's empowerment within their household and social capital development.

Analysis of the literature shows that certain unique factors are critical for women empowerment: women's contribution to household decision making, control over spending? from income and savings, respect from the male household head, social networks and solidarity and political awareness and participation. The above-mentioned factors have been broadly considered in this study to examine the impact of microfinance on women's empowerment and social capital development in five states of Nigeria.

To research these questions, this study has drawn on the results of the analysis of the microfinance literature and empirical data to construct a conceptual model that addresses the impact of microfinance initiatives on women's entrepreneurship and empowerment.

Policy recommendations resulting from this study have significant implications for microfinance institutions, policymakers and other development organizations that seek to promote women's entrepreneurship and empowerment, especially in an emerging economy context. The research questions stated above are analysed in Chapter 5.

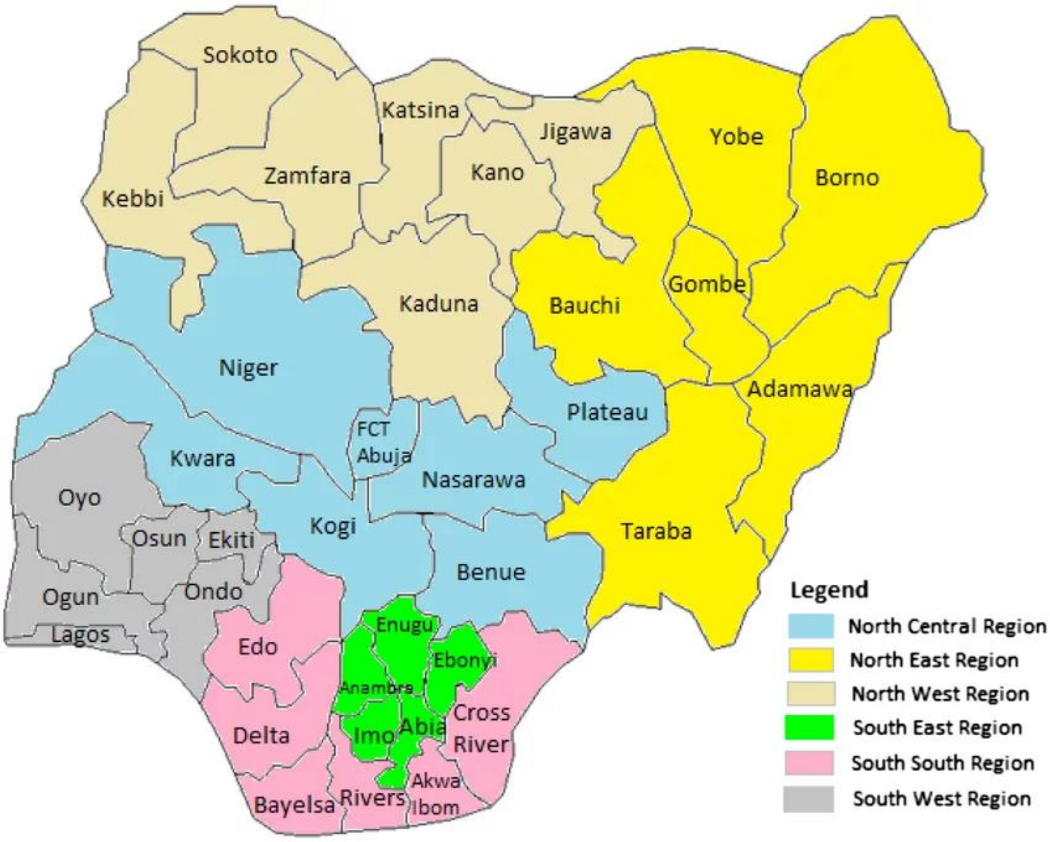
1.4 Scope of the Study

This study of microfinance and its impact women participants has been carried out in Nigeria, considered as an emerging economy given its current economic, social and political factors. Streatfield & Markless (2009) defined impact studies as those which seeks to assess the "intended or accidental" effect of interventions on individuals, groups or communities. The current study falls within this scope as it seeks to investigate and analyse the effect of microfinance on women in areas such as women's entrepreneurship and empowerment.

This study investigates a microfinance Non-governmental organisation (NGO): Grooming People for Better Livelihood Centre. For ease of reading, we will henceforth refer to this NGO as Better Livelihood Centre (BLC). The rationale for the selection of this microfinance provider is based on three important factors that aided in answering the research questions: i) As a microfinance provider offers its services to only women clients who are the main sample of this study; ii) the NGO is founded on the mission to empower women through the provision of credit facilities and business training, thus aligns to the aim of this research which seeks to investigate microfinance's impact on women's empowerment; iii) the NGO is the second largest microfinance provider in Nigeria with its branches spread across both urban and rural areas of Nigeria. The spread of its operational reach allowed the researcher to investigate microfinance outcomes across different regions of Nigeria (see details in the next paragraph).

Nigeria has over 186 million population (World Bank, 2016) and is the largest black nation in the world. Nigeria is divided into 36 administrative states with her capital in Abuja. The focus of this study is on 5 states (Lagos, Edo, Kwara, Oyo and Imo) and specifically in ten communities (Siluko, Share, Emekuku, Isolo, New Benin, Oja Ipata, Gwagi, Owerri, and Badagry). Lagos and Oyo are in the Southwest region, Kwara is in the North-central region, Edo is in the South-south region and Imo state is from the south-east region of Nigeria as shown in Figure 1.1. The study attempts to have a fair representation of microfinance interventions in Nigeria, hence the selection of communities from across several sub-regions in Nigeria.

Figure 1. 1 Map of Nigeria



Source: Google (2018)

1.5 Country Background and Rationale of the Study

Nigeria is located in Sub-Saharan Africa and shares land borders with Cameroon and Chad in the East, the Republic of Benin in the West and Niger in the North. Nigeria is a country endowed with an abundance of natural and human resources, with a land area of 923,768 square kilometres, rich in oil and natural gas, agricultural lands and many more and with a population of over 186 million (NBS, 2016). Nigeria's population size makes her the ninth most populous country in the world and the world's most populous black country. However, despite her vast wealth of human and natural resources, income inequality and poverty levels have remained steadily on the rise. A recent World Bank's 2017 Atlas of Sustainable Development Goals report indicates that 35 million more Nigerians were living in extreme poverty in 2013 than in 1990. Even more prominent was the fact that among the 10 most populous countries for which data is available, Nigeria was the only country which had experienced an increase in extreme poverty during the period, measured as living on less than $1.90 a day (World Bank, 2017). The scale of inequality in Nigeria is extreme, an Oxfam report (2017) noted that in a day, the richest Nigerian man earns over 8,000 times more than what the poorest 10% of Nigerians spend on consumption in a year. The Gender in Nigeria report (2012) categorises Nigeria among the 30 most unequal countries in the world (British Council Report, 2012). At this high rate of poverty and inequality, interventions are imperative to initiate the process of reversing the trend. Inequality and poverty in Nigeria have a strong spatial dimension. Poverty is considerably higher in rural areas than in urban areas and 70 per cent of the entire Nigerian poor population are women (NBS, 2016). Furthermore, market inefficiencies create a greater obstacle for women to exit poverty and these are exacerbated by a myriad of discriminatory traditional and socio-cultural practices.

Tackling gender inequality that is common in most developing countries forms one of the main reasons why microfinance targets women clients (Kabeer, 2010; Gangadhar, et al., 2017). Nigerian women are considered poorer due to the lack of equal opportunities as women face severe mobility constraints (British Council Report, 2012). For instance, women's reproductive responsibilities and other household responsibilities (catering for the children and husband) restrict their labour mobility (Porter, 2011), thus, it is not surprising that in Nigeria, women account for a higher unemployment rate (16.3%) compared with 12.3% respectively for men (NBS, 2016). Even in developed EU countries where data is readily available, estimates show that women account for 78% of part-time workers and only 38% of full-time workers, which suggest that women are less likely than men to access formal work opportunities to contribute economically (European Union, 2016).

In today's knowledge-driven world, quality education is a vital indicator of empowerment as it provides the tools for self-sufficiency and access to opportunities in the formal sector, yet religious and cultural norms in Nigeria restrict access to education for girls. A prominent gender stereotype and socio-cultural belief that impedes the education of girls is the notion that they are born to be married off to their husbands, thus they do not deserve the cost of education (Ofoha, 2013). Traditional practices in most parts of Nigeria continue to limit girls and women from accessing education. For instance, in the South-eastern part of Nigeria (home to Igbo ethnic group), the Osu practice (Osu is an Igbo word meaning "slaves to the Gods") has been found to restrict enslaved young girls from attending schools. The practice requires that children (especially young girls) are sent to serve deities of fetish priests as a reparation for the ills committed by ancestors (Osinubi, 2015). These girls spend their days attending to the needs and errands (cleaning, cooking, caring for livestock and farming) of their master. They are denied access to school, prohibited from interacting with other members of the community and, in most cases, are forcefully married off to their master, the fetish priest. The gender disparity in education is far worse in the predominantly Islamic states in Northern Nigeria where the strict adherence to the Islamic *Purdha* and paternal inheritance system are prevailing norms. The Islamic *Purdha* secludes girls and women from the public which impedes them from leaving home to attend school (Porter, 2011). In addition, the paternal inheritance system encourages parents to invest only in boys education because they are considered as heirs to the family's fortune and the ones who will carry the name of the family (British Council Report, 2012).

Other factors such as child marriage of girls aged 13 (and older) and teenage pregnancy further raise the barrier to education for girls in Nigeria (Titus, et al., 2016). Young girls in education have also been the target of terrorist outfits such as the dreaded Boko Haram insurgency operating in the Northeast of Nigeria. The Boko Haram terrorists whose slogan means "western education is forbidden" have abducted over 500 women and girls, including 219 girls from the Government Secondary schools in Chibok between 2009-2014 (Williams & Istifanus, 2017). In recent attacks (19/02/2018), another 110 girls were again abducted from the Government Girls Science and Technical College, Dapchi, Yobe State (Time, 2018). The consequence of Boko Haram attacks are evidenced through a significant drop in girls school attendance rate due to parents' reluctance to send their children to school for fear of abduction, the loss of qualified teachers and the closure of several schools destroyed during attacks (Ugwumba & Odom, 2015; Dunn, 2018). Targeted terrorist attacks and abductions of girls in schools clearly demonstrates the group's active campaign against access to education for the girls.

According to a UNESCO 2015 report, 56.9% of absentee school children are females compared to 46% who are male, and females age 15 and over in Nigeria constitute a higher share of the illiterate population (60%) compared to males (40%) (UNESCO, 2015). These factors and biases condition girls to a life of low value, lack of self-confidence and low self-esteem. Additionally, the education disparity creates barriers to females' access to formal jobs and networks that could improve their livelihoods (Ezeliora & Ezeokana, 2011).

Furthermore, according to the Human Development Report (HDR, 2016), Nigeria ranks 152 out of 188 countries on the Human Development Index (HDI). HDI measures achievements in the basic dimensions of human development (Income, Knowledge and Health) across countries (HDR, 2016). The gender inequality development index which measures the gender gap in the socio-economic and political spheres shows that Nigeria is ranked 187th (at 0.328) out of 188 countries. Nigeria's gender-related development index which measures the inequality in achievements between males and females indicates that in terms of labour force participation, females accounted for 48.45% compared to 64.2% for males (HDR, 2016). All these indicators place Nigeria amongst the low human development countries having greater gender disparities.

Women in Nigeria live under a system of subordination where they are expected to conform to the instructions of men, especially their husbands (Okafor & Akokuwebe, 2015). For instance, Porter (2011) observes that men associate women's empowerment and mobility with promiscuity (a bad wife) and as such often tend to restrict their mobility. This behaviour from the male partners constrains women from taking up formal work or entrepreneurial activities some distance away from their homes. Such constraints lead to lower ratios of female entrepreneurs as female business owners make up only 13.2% of the total entrepreneurs in Nigeria (World Bank, 2017).

According to the International Finance Corporation (IFC) report (2011), women in developing countries are discriminated in their access to institutional finance due to a lack of financial literacy, collateral such as land and bank savings. For instance, the Global Findex database which assesses how individual, save, borrow and manage risks in 148 nations indicates that fewer women have bank accounts than men (World Bank, 2014). Evidence from the literature suggests that women in Nigeria face similar issues. Tajudeen & Adebayo, (2013) observe that due to a lack of collateral assets needed to access formal finance sources, women entrepreneurs in Nigeria are forced to rely on informal finance sources such as friends, family members and moneylenders. A recent study by Amaechi (2016) identified various factors that constrain women's access to finance in Nigeria: women face financial literacy barriers which limit their awareness, access and effective utilization of financial resources. Most women in Nigeria lack collateral that limits their access to finance from conventional banks. In addition, the patriarchal society in which most women live restrict women from the control of resources and in decision making on issues that could promote their financial independence (Salia, et al., 2018). These factors demonstrate the levels of barriers women in Nigeria face in accessing institutional finance and attaining self-sufficiency, independence and empowerment.

Therefore, this study draws one of its rationales from the need to investigate the outcomes of microfinance as a tool for promoting women's entrepreneurship and empowerment in the face of rising poverty, gender inequality and social, cultural and financial barriers to the access and utilization of financial resources faced by women in Nigeria. Microfinance outcomes will be observed mainly from the perspectives of women clients of the intervention and the effects of microfinance assessed on indicators that the women clients consider relevant. However, in line with contemporary entrepreneurial literature (Vogel, 2013; Mason & Brown, 2014; Isenberg 2011) which suggest that while entrepreneurs drive change and innovation, there are a multitude of components responsible for birthing and sustaining enterprises, the current study shall capture the views of practitioners (microfinance staff) and also reflect the interactions of other components which influences women's entrepreneurship in Nigeria (for details see Section 5.16). In addition, this study will contextualise the interpretation of its findings to reflect unique factors peculiar to the microfinance intervention region. This should provide a deepened understanding of microfinance intervention and effects on women in Nigeria.

The microfinance intervention model used in Nigeria mostly replicate versions of microfinance institutions, such as the Grameen and Association for Social Advancement (ASA) models and there is limited empirical evidence available regarding these model's relevance and practicality within to the Nigerian context. For instance, Bernstein, (2014) argue that the ineffectiveness of microfinance in some regions has been due to the verbatim replication of microfinance models in contexts which were unsuitable. This study intends to investigate the relatively unknown female clients' perception of the ASA model of microfinance used by the Better Livelihood Centre (BLC), which is the microfinance NGO under study.

The literature in Chapter Two suggests that many microfinance studies are based within Bangladesh and Latin America due to the availability of data (Adjei, 2008; Mahmood, et al., 2014). However, the few studies in Nigeria have mainly applied qualitative approaches with little or no rigorous multivariable analysis of primary data to examine the impact of microfinance on women participants. In addition, there is a dearth of studies which have examined the impact of microfinance on women's entrepreneurship and empowerment in Nigeria from the perspective of both the service users and the practitioners are very few in the microfinance literature. Therefore, this study's rationales are justified by its contribution to the research gaps highlighted above. It is hopeful that the findings of this study will not only contribute to the microfinance literature but also have applicability in the microfinance industry. In other words, it is the researcher's expectation that the research findings will improve the relevance of microfinance to women's entrepreneurship and empowerment.

1.6 Microfinance Sector in Nigeria

As discussed in Section 1.5, Women are disproportionately impacted by poverty and inequality. Therefore, the quest for solutions is not just an urgent necessity but a desperate imperative for about 46.8% of the Nigerian people whose lives have been defined by poverty and institutional neglect (World Bank, 2017). Over the years, the Nigerian government has made concerted efforts to address poverty and gender inequality among women. In this respect, a major policy strategy of the Government has been to promote credit delivery for the poor and small-scale enterprises (SMEs) (Ogujiuba, et al., 2013). Some of the government's efforts to poverty reduction include the development of targeted policies and the creation of institutions for the mobilizing and disbursement of seed capital to SMEs. These are documented in the various government development strategies such as the Peoples Bank established in 1990, the National Economic Empowerment Strategy (NEEDS) in 2004, the National Poverty Eradication Programme (NAPEP) in 2006 and The Transformation Agenda introduced in 2011 and currently The Recovery and Growth Plan (ERGP) 2017.

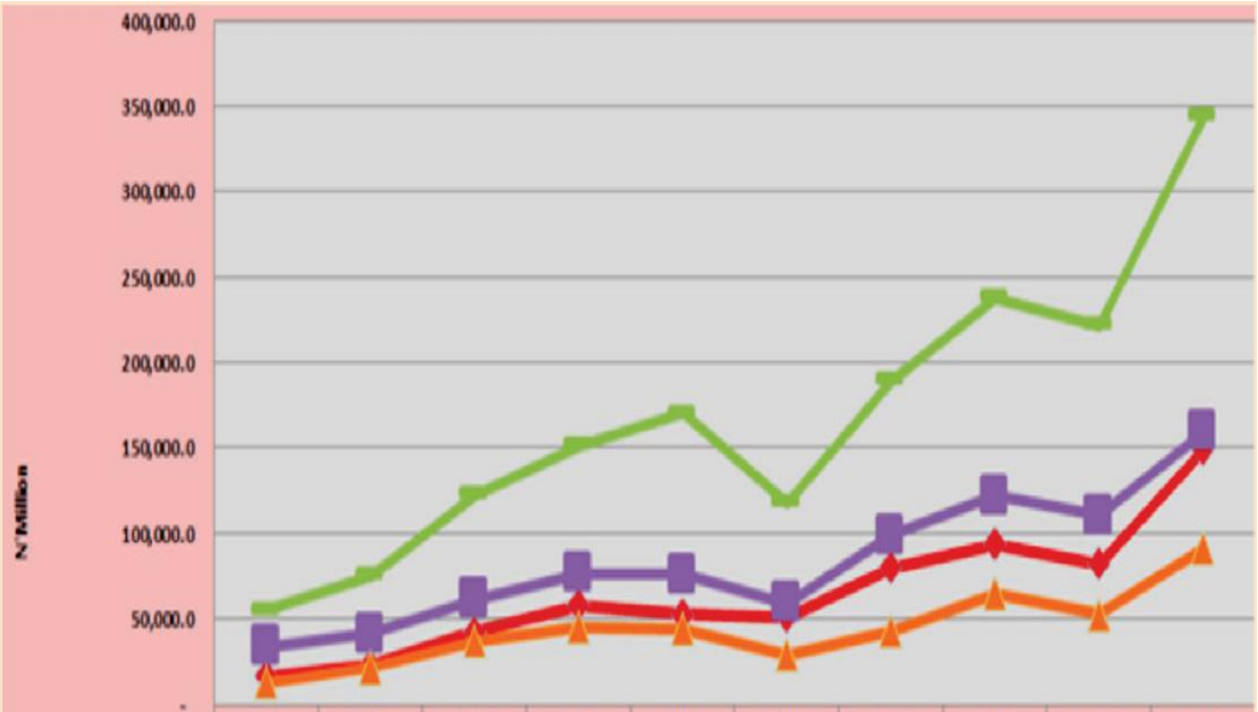
Many researchers international institutions and policymakers in Nigeria agree that most of the past reforms targeted at poverty reduction and inequality have been largely ineffective due to poor programme implementation (ADB, 2012; Commonwealth, 2018; Joseph, 2014; Adah & Abasilim, 2015). Even though this position is largely true, it is also worth pointing out that most of the reforms were designed to pay little or no attention to micro-entrepreneurs' development or in tackling the gender imbalance concerning access to credit for women entrepreneurs. For instance, the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) was established by the government to promote the availability of credit and other financial services to the SMEs sub-sector. Its mandate clearly suggests the exclusion of microenterprises and no focus on women entrepreneurship. Similarly, the National Economic Reconstruction Fund (NERFUND) was set up to provide medium to long-term finance to small and medium production enterprises (NERFUND, 2015), but does not include access to finance for microenterprises, neither does the fund consider gender imbalance issues. Therefore, in addition to the problem of project implementation deficiency; microenterprises and women's enterprise development have largely been excluded from most of the government interventions.

It is against the background of several ineffective government policies and programmes, NGOs initiated strategies to tackle the problem of poverty and inequality by adopting the extension of microfinance services as part of their mandate (Ogujiuba, et al., 2013). For instance, The Country Women's Association of Nigeria (COWAN) established in 1982 was one of the pioneer NGOs that provided microfinance services by combining traditional thrift (Esusu & Aajo) with institutional structures such as training, advice and a social banking model known as African Traditional Responsive Banking (ATRB). The ATRB focuses specifically on empowering rural women through providing access to microcredit and training facilities. The Nalt-United Self-Help Organization (NUSHO) was also founded in the 1980s and has provided credit and saving schemes with training programmes for participants. The Lift Above Poverty Organization (LAPO) was formed in the late 1980s to improve the lives of the poor by providing access to financial services and enterprise training. LAPO serves over 2 million clients (2,631,977) of which 91% are females (LAPO, 2017). The successes of these organisations in providing access to financial services for the poor and women, in particular have paved the way for many other microfinance providers to serve the sector; however, they are largely unregulated (CBN, 2011).

The Nigerian Government showed its support for microfinance by introducing the microfinance policy, regulatory and supervisory frameworks for Nigeria and the establishment of Microfinance Banks (MFB) in 2005. The microfinance policy, regulatory and supervisory framework's provided rules that guides the activities of microfinance and helped expand access to financial services for the poor through providing a platform for commercial operators to operate in the sector. This framework ushered in a new dawn of formal microfinance institutions in Nigeria. MFBs are licenced profit-oriented financial institutions providing financial services to micro, small and medium-scale enterprises. NGOs and other non-commercial microfinance operators are registered with the Corporate Affairs Commission of Nigeria. A major distinction between NGOs and MFBs is that the latter is a profit-oriented commercial entity allowed by law to take deposits and offer savings facilities whilst the former is a not-for-profit organisation that are not allowed to take deposits. The Central Bank of Nigeria provides the regulatory framework and supervises the operations of microfinance activities in Nigeria.

Since 2005, the microfinance sector in Nigeria has experienced significant growth with about 980 microfinance banks currently operating in Nigeria (CBN, 2017), alongside other microfinance providers such as NGOs, regional and local credit associations and trade unions. MFBs are the dominant players in the microfinance sector with “over four million clients, total saving deposits of N133 billion, a total loan portfolio of N151 billion, and shareholder funds of N181 billion as at December 2016” (CBN, 2017).

Figure 1. 2 Microfinance Key Performance Trend Indicators (million) (2006-2015)



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL ASSETS	55,145.8	75,549.8	122,753.8	151,610.0	170,338.9	117,872.1	189,293.4	237,837.6	221,652.3	343,883.1
Loans & Advances:	16,450.2	22,850.2	42,753.1	58,215.7	52,867.5	50,928.3	80,127.9	94,055.6	82,421.1	149,325.5
Deposits	34,017.7	41,217.7	61,568.1	76,662.0	75,739.6	59,375.9	98,789.1	121,787.6	110,688.4	159,453.5
Shareholders Funds	12,829.8	21,810.7	37,021.8	45,166.0	43,997.5	29,094.8	42,829.1	64,939.0	53,039.0	91,376.5

Source: CBN Statistical Bulletin 2015

The CBN data as shown in Figure 1.2, indicates that MFBs total assets rose from ₦55 billion in 2006 to ₦343 billion in 2015, indicating a 24% average yearly growth rate. During the same period, loans and advances rose from ₦16 billion to ₦149 billion, deposits from ₦34 billion to ₦159 billion and shareholders’ funds also rose from ₦31 billion to ₦91 billion (see Figure 1.2 above). However, the sector experienced a decline in performance in 2010-2011 due to the closure of 224 MFBs caused by a high level of non-performing loans resulting in the high portfolio at risk (PAR). 121 MFBs of the

224 banks were later reabsorbed after injecting new capital and achieving significant loan recovery (CBN, 2010). The sector has since peaked in 2015 following the introduction of new government funds through the Micro, Small and Medium Enterprise Development Fund (MSMEDF) and the Development Bank of Nigeria. For instance, in 2017 the Development Bank of Nigeria channelled ₦5 billion through three microfinance institutions (LAPO, Fortis MFB and NPF MFB) for onward lending to 20,000 micro entrepreneurs in Nigeria.

The above trends and support for microfinance demonstrate an increasing recognition that microfinance is an important tool for tackling poverty and gender inequality through promoting access to finance for microenterprise development and women-owned enterprises. The promotion of microenterprise and women-owned business has been found to improve the well-being of the poor and to empower women by increasing their income and encouraging indigenous innovations (Teki, 2017; Kumar, et al., 2015). Therefore, it is important to strengthen the links between microfinance and microenterprise development, especially with a focus on women-owned enterprises.

Concerning the geographical spread, Table 1.1 below shows that microfinance outreach exits in all the 36 states of Nigeria, with the Northern region accounting for a higher number of microfinance providers (2430 microfinance operators) than the southern region (1582 microfinance operators). In general, the number of NGO microfinance providers largely outnumber those of MFBs by over three times with the former accounting for 2997 microfinance providers whilst the latter accounts for about 985 microfinance providers. It is not clear why the majority of the microfinance providers in Nigeria prefer to be registered as an NGO, nonetheless, it may not be unrelated to the relaxed regulatory and supervisory regime that NGOs, in general, are allowed to operate as opposed to the strict legal regimes and supervision of commercial enterprises in Nigeria (Akintola, (2011).

Table 1. 1 Distribution of MFBs and MFIs in Nigeria by state @ June 2017

Geo-political zones	No. of MFBs	% of Total	No. of Non-Bank MFIs	% of Total	Number of MFB & MFIs	% of Total
North–West						
Jigawa	12	1.2	147	4.9	159	4.0
Kaduna	30	3.0	86	2.9	116	2.9
Kano	47	4.8	156	5.2	203	5.1
Katsina	22	2.2	420	14.0	442	11.1
Kebbi	10	1.0	11	0.4	21	0.5
Sokoto	4	0.4	349	11.6	353	8.9
Zamfara	5	0.5	230	7.7	235	5.9
Sub-total	***130***	***13.2***	***1399***	***46.7***	***1529***	***38.4***
North–Central						
Abuja FCT	59	6.0	84	2.8	143	3.6
Benue	12	1.2	163	5.4	175	4.4
Kogi	22	2.2	15	0.5	37	0.9
Kwara	28	2.8	99	3.3	127	3.2
Nasarawa	8	0.8	32	1.1	40	1.0
Niger	35	3.6	38	1.3	73	1.8
Plateau	15	1.5	20	0.7	35	0.9
Sub-total	***179***	***18.2***	***451***	***15.0***	***630***	***15.8***
North–East						
Adamawa	9	0.9	69	2.3	78	2.0
Bauchi	15	1.5	101	3.4	116	2.9
Borno	5	0.5	2	0.1	7	0.2
Gombe	5	0.5	49	1.6	54	1.4
Taraba	4	0.4	2	0.1	6	0.2
Yobe	2	0.2	8	0.3	10	0.3
Sub-total	***40***	***4.1***	***231***	***7.7***	***271***	***6.8***
South–West						
Ekiti	11	1.1	76	2.5	87	2.2
Lagos	189	19.2	41	1.4	230	5.8
Ogun	50	5.1	23	0.8	73	1.8
Ondo	15	1.5	22	0.7	37	0.9
Osun	32	3.2	13	0.4	45	1.1
Oyo	55	5.6	69	2.3	124	3.1
Sub-total	***352***	***35.7***	***244***	***8.1***	***596***	***15***
South–South						
Akwa Ibom	16	1.6	68	2.3	84	2.1
Bayelsa	4	0.4	127	4.2	131	3.3
Cross River	14	1.4	58	1.9	72	1.8
Delta	36	3.7	15	0.5	51	1.3
Edo	20	2.0	70	2.3	90	2.3
Rivers	19	1.9	83	2.8	102	2.6
Sub-total	***109***	***11.1***	***421***	***14.0***	***530***	***13.3***
South–East						
Abia	20	2.0	42	1.4	62	1.6
Anambra	81	8.2	81	2.7	162	4.1
Ebony	9	0.9	23	0.8	32	0.8
Enugu	24	2.4	32	1.1	56	1.4
Imo	41	4.2	73	2.4	114	2.9
Sub-total	***175***	***17.8***	***251***	***8.4***	***426***	***10.7***
Total	**985**	**100**	**2997**	**100**	**3982**	**100**

Source: CBN, Statistical bulletin 2017

1.7 Challenges of Microfinance in Nigeria

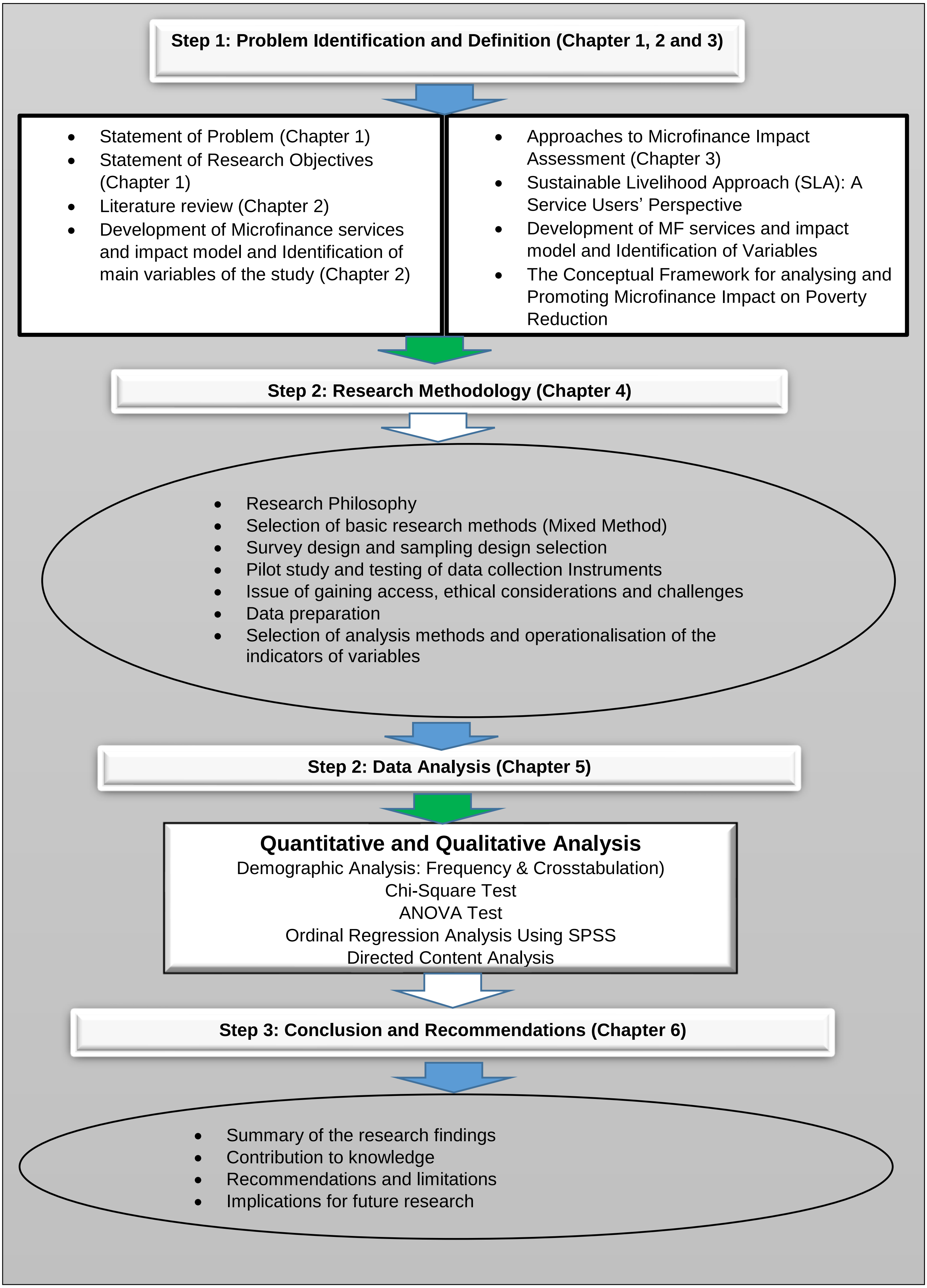
Despite the positive and laudable efforts of the government towards promoting microfinance in Nigeria, a large Section of the population's demand for microfinance remains unmet. Estimates suggest that about 70% (about 126 million people) of the Nigerian population is engaged in the Informal Sector of which MFBs serves only 4 million and 35% of the adult population are still unbanked (Anderson, et al., 2017). In a recent study by Zuru et al., (2017) it is suggested that a lack of funding to improve the ability microfinance to expand lending activities is a major problem. This problem is worsened by the drought in funds from international donor agencies to MFIs caused by the global financial crisis of 2018 and the more recent sharp drop in oil prices. Consequently, microenterprises in Nigeria rely heavily on informal sources of finance such as loans from friends and family (Babajide, 2011).

Other challenges identified by the CBN (2017) are presented below:

- Limited total assets due to suboptimal performance of the economy, uncertainties in a business environment, policy inconsistency in infrastructural investment.
- Weak lending methodologies due to adaptations of microfinance models that do not suit the prevailing community context in which they are implemented.
- Inadequate/regulatory support. Although licenced microfinance banks are adequacy regulated, other non-commercial operators such as NGOs are largely unregulated.
- Poor financial literacy. A majority of the poor population are untrained in the utilization of financial resources and most of them are also unaware of available services. There is also a knowledge gap amongst microfinance staff which calls for training and re-training to enable them to effectively deliver microfinance to meet the needs of clients.
- Undue competition from commercial banks and development financial institutions. The microfinance market space is flooded with many practitioners, however, competition from well-established commercial banks is a threat to new entrants with limited funds and limited financial delivery experience.

- Lack of proper linkages between formal and informal financial markets. There is currently, no clear framework that links microfinance NGOs and their service users with the mainstream financial sector.
- Poor corporate governance
- Lack of public trust for microfinance institutions due to reported incidences of fraud by some unscrupulous groups of people.

Figure 1. 3 Structure of the Study



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provides a theoretical review of relevant literature on microfinance with emphasis on issues relating to poverty, women's empowerment and entrepreneurial development. The chapter is divided into three parts: the first part provides a comprehensive analysis of the evolution of the concept of microfinance, its unique innovative mechanism and global expansion. The second part provides an overview of studies on poverty and how the poor could benefit from microfinance. The third part critically examines the justification for targeting women through Microfinance Institutions (MFIs). This is followed by a critical analysis of previous studies on microfinance impact on women's empowerment and entrepreneurial development across different. The final Section of this chapter identifies the gaps in the microfinance literature, some of which this study intends to fill.

2.1 Evolution of Microfinance

The ideas and aspirations behind microfinance are not new Geleta et al (2019). For centuries, national governments and international aid organizations have often financed developmental projects to boost the local economy and reduce poverty in developing countries. However, the focus was on large-scale infrastructural development such as the building of water dams, roads, bridges and coal plants. It was assumed that by investing in large-scale infrastructures, the capacity of the country to compete in the global market will increase and poverty will gradually reduce as wealth and opportunities trickle down. Khandakar & Rahman (2006) noted that this strategy was unsuccessful as the gap between the rich and the poor widened over time. The failure of this "Top–Bottom" approach to development has been attributed to several reasons including that it was wasteful and expensive (Evuleocha, 2011) and that beneficiaries were excluded in the design, formulation and implementation of the projects (Khandakar & Rahman, 2006). However, instead of implementing development strategies that are large-scale, expensive and often wasteful, an evolving strategy (microfinance) emphasises channelling of small financial resources directly to the poor. The World Bank endorsed this idea when its then-president Robert S. McNamara (1973) informed listeners that no program would help small farmers if it was designed and implemented by those who lacked knowledge of their problems and are not interested in their future. Supporting this argument, Karnani (2009) suggested that a vital way to reduce poverty is to raise the income of the poor by focusing on them as producers.

The microfinance revolution has been evident in many countries to ameliorate the suffering of the poor by providing financial services, especially for the economically active poor (Robinson, 2001). According to Helms (2006), microfinance started in the 15th century when the Catholic Church founded pawnshop to provide alternative finance options to the money lenders. By the 17th century Dean Jonathan Swift, an Irish man introduced microcredit by establishing the Irish Loan Fund to provide finance for the poor. The Irish loan Fund had an initial donation of £500 to be lent out to "poor artisans of Dublin" in loans of under £10 each (Hollis & Sweetman, 1996). Recipients were handed out small amounts of £5 to £10 with the expectation to repay in weekly instalments of under 5 shillings without interest. The Irish loan Fund aimed at creating wealth in rural areas of Ireland by providing short-term loans to the poorest people who were excluded from commercial banks services. Lindsay (2010) mentioned that this idea took years to catch on, but then grew quickly and expanded such that by the 18th century, the Irish Loan Fund had over 300 banks for the poor and was serving over 20% of Irish families. The success of the Irish loan Fund brought to light the effectiveness of small loans provision on poverty alleviation and rural economic development. This triggered the spread of similar loan fund across Europe; thus, in 1822 a London based relief committee raised £55,000 to establish the Irish Reproductive Loan Fund Institution which financed 100 new funds to provide small loans to the "industrious poor" (Hollis & Sweetman, 1996).

During the same period, Friedrich Wilhelm Raiffeisen of Germany identified that rural farmers could not create wealth if they relied on private moneylenders whose interest rates were extremely high and exploitative. In order to remedy the situation, He founded the first rural credit union in 1846. This new lending system was different from previous systems in that it was owned by its members, grants loans to members at lower rates and consolidates savings of members. Hollis & Stweetman (1998) noted that Raiffeisen cooperatives grew rapidly from humble beginnings of 245 branches in 1885 to over 14,500 rural cooperatives by 1910, serving about 1.4 million members. The idea of credit union spread across Europe and beyond such that by the end of the 18th century, credit union organizations had a massive presence from the Irish credit cooperatives in Ireland to the Italian Casse Rurali in Italy. However, while some credit unions focused on lending to enterprising individuals, others took to charitable causes like lending to poor individuals who could not pay their medical bills or purchase food. A common feature of charitable credit unions was that they had strong religious affinity like the St. Mary's Cooperative Credit Association of the United States. Despite targeting different groups, both credit unions operated to fill a niche in the loan market that was under-served by conventional banks.

By the 1970s, the most transformative development in microfinance occurred. An experimental credit project, which was part of action research by Professor Muhammad Yunus led to the creation of the Grameen Bank of Bangladesh. This non-profit banking system at that time aimed to reduce poverty by directly providing poor women with small loans. The bank initiated the group lending system where small loans were given to individuals within a group to ensure mutual support of members and joint liability (details explained later in this chapter). In contrast to the top bottom conventional approaches, Grameen Bank embarked on small projects that the individuals could participate, manage and grow. This strategy was revolutionary because it contradicts traditionally held assumptions, especially by commercial banks that the poor do not deserve loans because they lack collateral, skills, education and could not put borrowed funds to productive use (Storey, 2008; Yunhuan, et al., 2009). The Grameen Bank targeted and loaned money to women borrowers to invest in businesses that would increase their income, in return very low-interest rates were charged to enable borrowers to pay back their loans and still have money, i.e. create wealth, for themselves (Lindsay, 2010). It is reported that Professor Muhammad Yunus personally lent his personal savings ($27) to 42 women involved in bamboo stools manufacturing (Sengupta & Aubuchon, 2008). The Grameen model was based on two main drivers: group lending and women empowerment. As the Grameen Bank expanded, other financial facilities such as savings, insurance and money transfers were provided to service users. It was at this point that the name microfinance was coined to replace microcredit because Grameen Bank was providing other financial services in addition to the issuance of small loans. In recognition of his innovation in microfinance and its impact on the lives of the poor, Professor Muhammad Yunus's was awarded a Nobel Peace Prize in 2006.

Over the last decade, the Grameen Bank had not just become the biggest microfinance institution in the world, but her success has contributed to the emergence and growth of various MFIs in Africa, Latin America, Asia, and Eastern Europe, as well as in richer economies like Norway, the United States, and England (Armendariz & Morduch, 2004). Currently, microfinance institutions operate in Ghana, Nigeria, China, Bolivia, India, Brazil, Malaysia, Tanzania; the Microfinance Information Exchange Market (MIX) provides financial information for over 2,100 MFIs in 105 countries around the world (MIX, 2014). Figure 2.1below illustrates the presence of microfinance in different regions of the world and their loan portfolios. However, due to the increasing demand for credit and other financial services, a new methodology that emphasises the commercialization of microfinance was birthed in Latin America (Abrar & Javaid, 2014). This introduced a paradigm shift in microfinance methodology, which has seen it move from donor dependent NGOs to profit-oriented MFIs (Mersland, 2009). Although the first commercial MFI (BancoSol) was established in Bolivia in 1992 due to the inability of credit supply (from PRODEM an NGO) to match the rising demand for credit (Lindsay, 2010), profit-oriented microfinance has gained momentum over the last decade. Ledgerwood (2013) pointed out that commercial MFIs have surged in the last decade due to the transformation of many NGOs to profit ventures in addition to the arrival of new profit-making MFIs. Today commercial MFIs are operating in several countries; for example in India with Spandana Spoorthy Financials Limited and Share Microfin Limited [SML] (Sriram, 2010), in Chile with Bandesarrollo and Banco del Estado, Vision and Fincresa in Paraguay, BPR-YBS in Indonesia (Takahashi, et al., 2010) and Centenary Bank in Uganda (Rhyne & Christen, 1999). These institutions have also been able to attract huge external investment and profit from private investors. For example, MFIs such as Banco Compartamos and SKS in 2007 and 2010 respectively became commercialised by selling shares to the public, which saw them charged an annual interest rate of 86% (Rosenberg, 2007; Sriram, 2010). CGPA (2011) report indicates that since 2008 the foreign investment in microfinance has quadruple to US$13 billion.

The idea of microfinance commercialization has generated intense debate mainly between the Socialist or Welfarist and the Institutions school of thought. The Welfarist argue that the commercialization of microfinance cause institutions to drift away from their novel mission of poverty alleviation (Hina, 2013). This is often referred to as the “Mission Drift” (Beisland et al., 2017; Saxena & Deb 2018; Abrar & Javaid, 2014). Mission drift arises when MFIs increase their credit size such that they target mainly the wealthy segment of the market (Armend´ariz

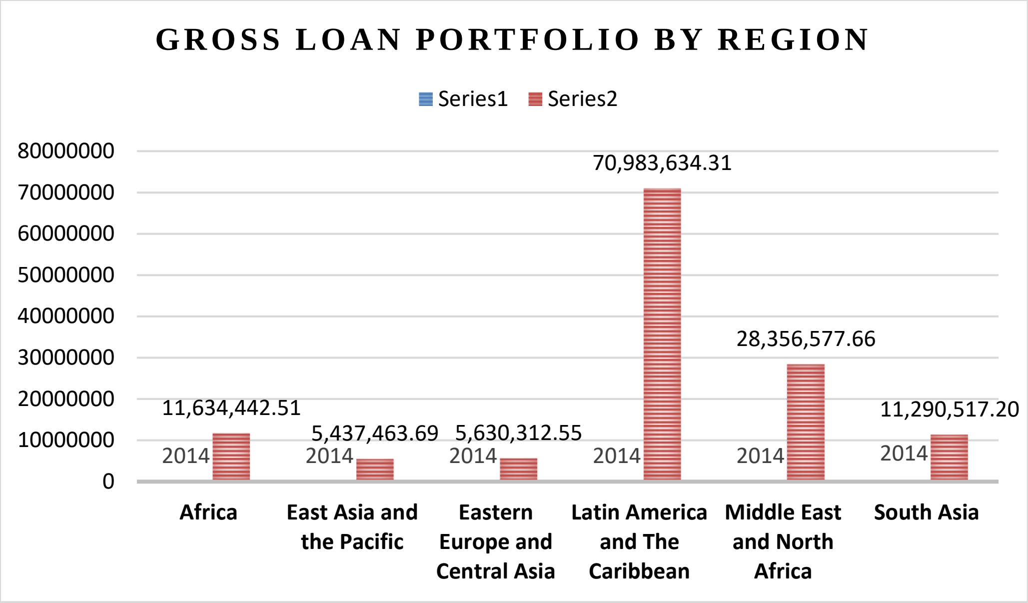
& Szafarz, 2011). Therefore, mission drift can be assessed by analysing the actual loan size disbursed by MFIs such that where there is a consistent increase; mission drift may be established (Mersland & Strom, 2010). Proponents of this view argue that profit-driven MFIs are prone to exclude the poor because it is often more profitable to serve wealthy client than the poor. Commercial MFIs have also been criticised for charging an excessively high interest rate. Humle and Arun (2011) pointed out that in Asia, MFIs like SKS and Grameen are charging between 22 and 25 per cent interest rate per annum whilst Southeast Asian, Latin American and African MFIs charge between 50 to 120 per cent interest rate. Welfarist believe that most of the poor are not capable of bearing the burden of such high interest rates and so may be excluded from accessing microfinance. Therefore, the Welfarist insist that a trade-off exit s between achieving sustainability/profitability and outreach.

On the other hand, Institutionalist argues that the commercialization of microfinance is necessary for sustainability and increased outreach. Advocates of this view contend that subsidised credit is unsustainable given that donor resources are scarce compared to the unending demand for loans but argue that commercialization widens institution's finance sources by way of private capital inflows in order to increase their outreach to the poor (Daley-Harris, 2009). They stressed that to attract external investments, institutions must be regulated and conform to standards of formal financial institutions which implies attaining full commercial status (Cull, et al., 2008). In addition, MFIs are expected to achieve a reasonably high return on investment that can cover both financial and operation cost. According to Morduch (2000), commercialism is based on the principle that the poor needs access to credit but not cheap credit, thus high-interest rates can be charged without restricting outreach. Based on evidence from Bangladesh, Humle and Arun (2011) suggested that intense competition between MFIs would ensure that market forces set interest rates.

A review of the literature shows that several studies find no evidence of mission drift in MFIs (Armendáriz, et al., 2013; Hishigsuren, 2007) except Beisland et al., (2017) who found mission drift caused by the activities of credit officers. A study of mission drift in 149 MFIs in Asia finds that less donor and subsidy-dependent MFIs are more likely to avoid mission drift compare to subsidy-dependent MFIs (Zubair & Javid, 2015). A similar large cross-country study that examined mission drift in 124 MFIs in 49 countries found that MFIs with aggressive financial goals can still stay focused on its mission (Cull, et al., 2007). Contrary to the welfarist assumption, the decision to raise loan size does not necessarily mean an MFI is deviating from reaching the poor. In fact, Christen (2000) noted that several factors such as portfolio maturity and the institution’s strategy could lead to increase load size without implying mission drift in MFIs. For instance, most MFIs start-off by issuing small loans to the poor for investment purposes and when they are established, larger loans size may be necessary for business expansion. In this case, the increase in loan size cannot be said to indicate mission drift. More so, the decision to earn profit does not determine an institution’s social or commercial orientation (Mersland & Strøm, 2008b). Cull et al., (2009) argue that similar to commercial MFIs, some NGOs earn profits that are not distributed amongst shareholders but reinvested to strengthen the service provision.

According to Sriram (2010), the commercialization of microfinance has led to increased efficiency and consequently allowed MFIs to expand their services, offering different products like micro-savings, micro-insurance, flex loan repayments and remittances (these are discussed in the later part of this study). Sengupta & Aubuchon, (2008) argues that as more MFIs produce positive returns from providing diverse services, it’s potential for attracting foreign direct investment increases. In a study, Brière & Szafarz, (2011) among other findings indicate that MFIs are becoming less risky and more correlated with the financial sector. Therefore, a profit-making and financial market positively correlated MFIs is potentially in an assets class that will appeal to both risk-averse and risky investors. A study on the effectiveness of MFIs in diversifying the risk of a portfolio indicates diversification benefits for international investors (Kraussa & Walter, 2008). The possible outcome of this is increased capital inflow to the microfinance sector as reported by CGPA (2011) and Karlan & Morduch (2009). However, Al-Azzam (2018) observed that commercialisation allows microfinance providers to mobilise deposits from service users but argues that even deposit mobilisation does not solve the traditional problem of the trade-off between outreach and financial sustainability. The growing number of commercial MFIs and evidence of its attractiveness to investors simply suggest that the commercialization trend is not yet over.

Figure 2. 1 Gross loan portfolio by region



SOURCE: Microfinance Information Exchange Network; www.mixmarket.org.

2.2 The Finance Gap amongst the Poor in Developing Countries

Microfinance metamorphosed and expanded from the narrow field of microcredit (Mago, 2013; Helms, 2006). Although several practitioners and scholars use both words interchangeably, they differ in meaning due to the scope of services they offer. Microcredit involves the provision of loans of small amounts often less than $100, by banks and other institutions to poor and other borrowers excluded from conventional financial institutions (Sengupta & Aubuchon, 2008). Microfinance includes microcredit in addition to the provision of other services like savings, money transfer, insurance and training (CGAP, 2012). Essentially, the main difference is that microcredit supports one product (small loans) and is provided by both formal and informal institutions as oppose to microfinance that supports many products provided by registered and regulated financial institutions (CGAP, 2012). Nevertheless, both microcredit and microfinance are focussed on assisting borrowers exit poverty by providing financial services to the poor (Garikipati, 2017; Ghalib, 2017; Roodman & Morduch, 2009) Informal credit facilities have been a common source of finance for the poor before the advent of microfinance (Helms, 2006). Factors such as its easy, convenient, fast and flexible access to informal credit services make them attractive to the poor (Mahmood, et al., 2014). Usually, the poor sourced informal finance from family, friends, landlords and moneylenders. However, moneylenders have been criticized for exploiting the poor by charging excessive interest rates to poor borrowers, whose limited credit options constrain their bargaining power (Rosenberg, et al., 2009). According to Tucker and Lean (2001), one reason for the high interest rate is information asymmetry as lenders have less information about the borrower's ability to repay loans. Both authors argue that lenders spend financial resources in screening loan applicants and monitoring borrowers to mitigate default risk; thus, these costs are transferred to borrowers as the interest rate. A study (Aleem, 1990) of fourteen moneylenders in Pakistan found that monopolistic competition exit s in markets with imperfect information. The study further suggested that interest rate charged by moneylenders is equivalent to their average cost of lending but exceed their marginal cost and these are incurred through screening of loan applicants, overheads, loan drive and bad debts. Therefore, moneylenders charge high-interest rate due to the high cost of gathering client information to ensure the safety and efficiency of loans and prevention of fraud (Huang, et al., 2014). Moreover, the moneylender has also been criticised for its harsh treatment of defaulters. Aryeetey & Udry (1995) noted that moneylenders perceive litigations against defaulters as expensive, thus, they prefer to confiscate collateral or threaten to cause harm to the body of the borrower or his property. Although other informal sources of finance like friends and family presumably have good information concerning the characteristics of potential borrowers, they are unable to provide adequate finance for microenterprise expansion or savings facilities (Aryeetey & Udry, 1995).

Other types of traditional informal savings and credit sources are rotating and non-rotating association, credit unions and credit cooperation. Rotating savings and credit associations (ROSCAS) comprise one of the most commonly found informal and indigenous financial institutions particularly in Asian and African countries (Evuleocha, 2011). In ROSCA, member's contributions are collected at the agreed regular interval (weekly/monthly) and given to a member in a rotation format until the cycle is complete. Comparatively, non-rotating association follow similar contribution interval, but deposit's money collected with a treasurer. At the end of the agreed contribution cycle, members receive their total contribution (Iganiga & Asemota, 2008). In some non-rotating associations, interest is paid to members from their lending and in others, they are not. Dagnelie & LeMay-Boucher, (2008) pointed out that the number of members, amount of contributions and frequency of meetings varies widely amongst different ROSCAs. The presence of ROSCA in many developing countries indicates its usefulness to the poor. However, these credits and saving associations are called various names in different countries or communities. Table 2.1 below presents the various names associated with ROSCAS in developing countries.

Table 2. 1 Rotating Saving and Credit Associations in West Africa

Rotating Savings and Credit Associations in West Africa (ROSCA)	
Country	**Local Names**
The Gambia	Osusu
Sierra Leone	Asusu
Senegal	Tontine
Ivory Coast	Diaou moni, Wari moni
Ghana	Nanemei akpee
Nigeria	Esusu, Isusu, Dashi, Adashi, Oha, Bam
Niger	Asusu
Cameroon	Njangi, djanggi, tontine, credit rings
Kenya	merry-go-rounds
Mexico	Tandas
India	Chit
Tanzania	Kibati

Source: Adapted from Nwanna (1996) and Helms (2006)

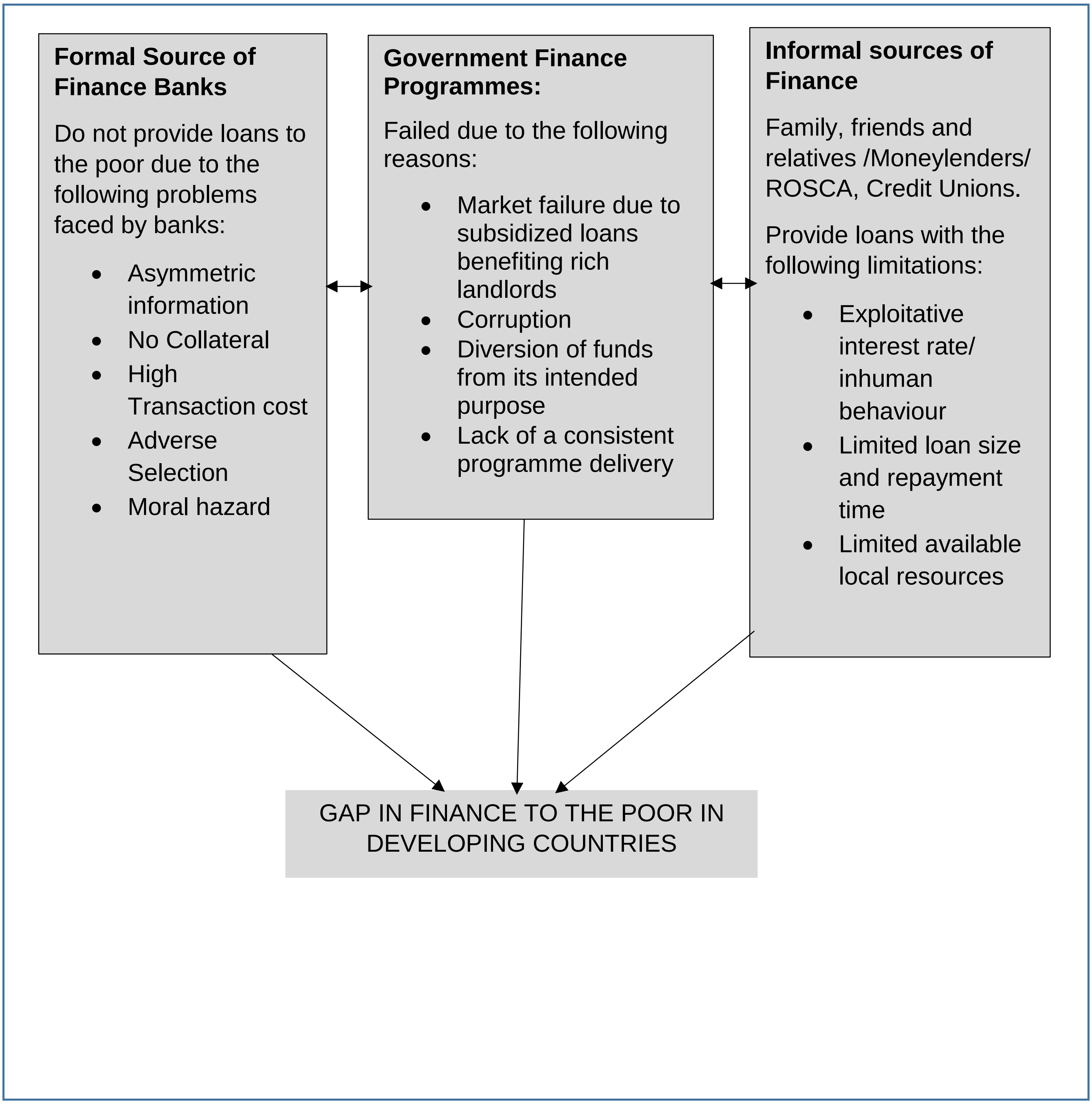
Members of Rosca are primarily poor individuals with little access to formal financial service markets due to high transaction costs (Dagnelie & LeMay-Boucher, 2008). Critics have questioned the reason behind joining ROSCA as oppose to personal saving since ROSCA does not offer interest on contributions. Besley et al., (1993) argue that on average, members of ROSCA receive a lump sum amount of money to buy indivisible goods earlier than through individual savings. The inability of individuals to adhere to self-disciplined to commit to personal savings have been cited as a condition for joining ROSCA. Dagnelie & LeMay-Boucher, (2008) stressed that many individuals suffer from short-term temptations and are aware of the inconsistency problem, hence, would turn to ROSCA. ROSCAs have many advantages: they are efficient and cost little to run, they are transparent and easy for members to understand, no outsiders are involved, no cash is stored since it passes from member to another, and the risks of misappropriation are low (Helms, 2006). Generally, ROSCA serves as a saving mechanism that supports members in purchasing indivisible goods (Anderson & Baland, 2002). However, with such an appealing and useful credit and saving mechanism available to the poor, some may wonder why the poor still lack finance. In his contribution, Helms (2006) pointed out that ROCASs are often rigid as it requires regular deposits of equal amounts, an individual's money is tied up until it is their turn to access the funds. More so, members are at risk of default from other members, which could lead to loss of money and eventually the breakdown of the ROSCA (Dagnelie & LeMay-Boucher, 2008). This system cannot provide money to members in need but are not due for collection. Due to these limitations, ROSCA could not fully meet the ever increasing and dynamic finance needs of poor borrowers. Similarly, all informal financial networks are vulnerable to collapse or fraud: whether due to corruption, financial indiscipline or collective shocks like a natural disaster or a bad harvest leading to loss of funds by participants (Helms, 2006).

Formal financial institutions have robust resources and expertise in lending compared to informal financial sources, hence should be expected to fill the finance gap. Basu (2006) suggest that lending to the poor pose high repayment uncertainty. Banks are profit oriented and risk-averse; therefore, any doubt in the loan applicant's ability to repay loans creates legitimate grounds for concerns. Basu (2006) indicated that because the poor are mostly involved in agricultural activities, they tend to be highly exposed to cyclical fluctuation such as crop failures or a fall in commodity prices and therefore may face real difficulties servicing loans. The absent of detailed records showing the credit history, sales, income and expenses of loan applicants is another factor hindering banks from lending to the poor. A study (Mbroh & Attom, 2013) of small and micro enterprises found that business owners lacked basic accounting knowledge; hence do not keep proper accounts of business activities. Lack of useful financial information makes it difficult for banks to ascertain the creditworthiness of loan applicants.

However, banks can overcome the issue of lack of information by collecting collateral to hedge default risk. Amiram et al., (2017) and Weill & Godlewski (2006) noted that collateral solves the problem of information asymmetries; the problem of moral hazard after the loan is granted and reduces the risk of the loan in the event of default. Collateral creates a cushion that improves banks propensity to lend to applicants without a credit history. Feder et al., (1988) suggested that lands and buildings are the major types of collateral assets accepted by banks in developing countries. However, the poor do not possess such kind of assets, thus, due to the lack of acceptable collateral, millions of poor people cannot access the formal banking system (Yuqing, 2007). Fafchamps (2013) argued that lack of collateral is not the reason why the poor are often credit constrained but lack of regular income. He stressed that in developed countries, unsecured credits such as credit cards, overdrafts and mortgages are given to clients who have a steady flow of income but without collateral. This tends to suggest that a steady flow of income improves the borrower's ability to repay debt, hence increases their creditworthiness. Meeting these criteria is practically impossible for most poor people in developing countries as they suffer from acute deprivation and lack of income. Donaldson et al., (2014) argued that poor households in developing countries are unable to meet basic needs in the form of clothing, food, healthcare and even the education of their children. Generally, the lack of collateral and income information still borders on the effect of information asymmetry on banks wiliness to lend to the poor. Adverse selection is another critical problem faced by banks due to information asymmetry. Adverse selection occurs when banks are unable to differentiate risky from safe borrowers due to lack of information; thus, banks use either high-interest rate or collateral as a selection criterion. The high interest rate may deter safe borrowers from taking loans due to fear of not been able to repay, which leaves the risky borrower to accept loan facility. This situation may cause the moral hazard problem as borrowers may undertake riskier projects than the bank would have preferred since they will not face the full consequences of failure (due to limited liability) (Armendariz & Morduch, 2004). Ghatak & Guinnane (1999) argued that in some cases, banks may offer two different contracts, one with high-interest rates and low collateral and the other with the opposite, but stressed that poor people by definition do not have assets that make useful collateral, hence, will be discriminated upon. Therefore, for various reasons such as asymmetry information, lack of useful collateral, adverse selection and moral hazard, formal financial institutions are always hesitant about lending to the poor in developing countries.

Armendáriz de Aghion & Morduch, (2005) contends that due to the inability of the formal and informal financial sectors to provide robust financial access to the poor as highlighted above, a finance gap had ensued that needs to be filled. The consequence of this finance gap is that the poor are starved of the required funds to improve their economic conditions and well-being. Figure 2.1 below illustrates the failure of both the formal and informal financial sources to meet the financing needs of the poor, which in turn has created a persistent finance gap in developing countries. Mahmood et al., (2013) stressed that in order to fill this gap there is a need to relax the loan application requirements of the formal sector and remove constraints associated with the informal credit sector.

Figure 2. 2 Factors that Create Persistent Gap in Financing the Poor



Source: Adapted from Mahmood et al., (2013) and Armendariz de Aghion and Morduch, (2005).

2.3 The uniqueness of Microfinance Innovations

As discussed above, the idea of providing finance for the poor is not new; however, constraints and challenges have hindered both formal and informal financial sector from adequately lending to the poor. This raises the question as to what is unique about microfinance that enables it to succeed where other interventions have yielded very little results. Advocates of microfinance attributes the success of microfinance to its innovative lending methodologies which is includes group lending (Sengupta & Aubuchon, 2008; Ledgerwood, 1999; Robinson, 2001; Armendariz & Morduch, 2010) and other recent techniques such as individual lending, progressive lending and flexi loans (Giné & Karlan, 2014; Lehner, 2009; de Quidt, et al., 2015). The group lending methodology purports to solve the credit constraints to the poor caused by market failure by mitigating information asymmetry, adverse selection and moral hazard problems while facilitating mutual insurance (Giné & Karlan, 2014).

2.3.1 Group lending Methodology

Much of the early success stories of microfinance programs have been attributed to self-selected borrowing group (Cason, et al., 2012). Group lending is the provision of loans to poor individuals who belong to a small group (typically comprised of 5 to 20 members) and meet regularly (weekly or monthly) to repay their loans (Giné, et al., 2011). The group is formed voluntarily by members selecting each other for the purpose of accessing un-collateralized loans. The key philosophy of group lending is the joint liability principle: a contract which stipulates that a default by a member of the group results in loss of access to further credit to the group except the payment is made by other members to offset the default (Creedy, & Hoang, 2018; Armendariz, 1999). Advocates believe that the principle of joint liability helps to mitigate the challenges of non-financing the poor by formal financial institutions due to informational asymmetries. Through joint liability, lenders are able to get information about borrowers by members of the group who have enhanced access to such information, thus reducing the risk for banks. Giné & Karlan (2008) argue that joint liability enhances borrower's incentive to enforce repayment of loans and screen other members to ensure that only trustworthy individuals are allowed into the program. Because members know each other, safe borrowers will more likely select other safe borrowers, leaving the risky ones to form groups by themselves (Sengupta & Aubuchon, 2008). This reduces the risk associated with information asymmetry, which is often mitigated through banks insistence on collateral or high-interest rates from the poor with its attendant adverse selection implications. In a study, Stiglitz, (1990) find that Joint liability also reduces the problem of moral hazard by encouraging borrowers to monitor each other's projects choices and initiate sanctions upon members who have ventured into risky projects. Laffont & Rey, (2003) points out that since the actions and inactions of borrowers affect other members of the group, members are stimulated to take steps to discipline anyone who defaults or attempts to burden the group with risk. A survey of 99 farm and non-farm groups in Malawi find that peer selection, peer monitoring, peer pressure and social ties reduce the incidence of moral hazard (Simtowe, et al., 2006). The study argued that group-lending methodology creates social cohesion amongst group members that engenders cooperation and supervision, which reduces risky behaviours. Supporters of joint liability argue that because group members are likely to have adequate information about colleagues, the cost of peer monitoring is significantly less than lender monitoring, thus result in increased monitoring and repayment rate (Stiglitz, 1990; Varian, 1990). A recent study (Cason, et al., 2012) find that peer monitoring results in higher monitoring and higher repayment rates compared to lender monitoring in cases where the cost of peer monitoring was lower than the cost of the lender. In cases with no difference in monitoring cost, the study indicated similar loan performance between the group and individual lending schemes. It can be deduced from the study that the cost of peer monitoring varies under different conditions and thus affect loan performance. Armendáriz de Aghion & Morduch (2000) indicated that group lending reduces transaction cost since group meetings are held instead of individual visits of borrowers.

Other researchers have argued that peer monitoring is costly and constrains member's incentive for monitoring (Ghatak & Guinnane, 1999; Aniket, 2007). According to Shankar (2007) and Elliot et al., (2018) the cost of peer monitoring increases the transaction cost which is the most important cost of lending for microfinance institutions. Shatragom and Bayer (2013) highlighted some of the factors that contribute to transaction cost within group lending. Firstly, transaction cost includes group formation cost, documentation cost, and cost of the appraisal, time sent on fieldwork and monitoring cost. Secondly, there is an additional cost of avoiding a default that arises from field staff expending extra effort to resolve a dispute among members or solve other problems with the group. Thirdly, the cost incurred by members due to default in repayment of the loan, which can be very high especially if the group members are few and geographically separated. In addition, Armendáriz de Aghion & Morduch (2000) points out that where members leave far apart, the cost of attending group meetings and monitoring members may be-be high. These cost leads to increase interest rates on loans and subsequently heighten the risk of repayment (Kodongoa & Kendi, 2013). However, Bhatt and Tang (2001) argued that other factors such as the group member's savings, liberalized interest rate and the legal systems act to reduce transaction cost for microfinance lenders. For instance, compulsory periodic savings reduces transaction cost by providing lenders with an extra working capital that reduces dependency on donors and consequently lessen reporting and data collection by lenders. In addition, the liberalised interest rate policy helps lenders cover all loan cost resulting in lower transaction cost and since the legal system guarantees loans, lenders feel safe of their investment and thus will lower interest rates or service charges.

Recent studies (Shettima & Dzolkarnaini 2018; Singh & Padhi 2017; Kono, 2014; Gine, et al., 2010) have shown that the free-riding problem is a major limitation to joint liability. The free-riding problem arises when a group member decides to take a risky investment bearing in mind that in the events of default, other members would have to bail him out to avoid losing future loans from the micro-lender. In a field experiment in Vietnam, Kono (2013) find that joint liability contracts cause serious free-riding problems, inducing strategic default and lowering repayment rates. The study observed that when group members monitor each other's investment returns, participants are more likely to choose the strategic default. The author suggests that joint liability lending often failed to induce mutual insurance among borrowers. In a related study, Fischer (2010) finds that under restricted information, joint liability encourages risk-taking as members free-ride on the indemnity provided by fellow members. In their study of strategic default, Giné et al., (2011) confirmed the assumption of Besley & Coate (1995) that except strong social sanctions are in place, joint liability may encourage default by borrowers who would have repaid under individual liability. Therefore, a borrower may question why she should be responsible for the default of members of the group. However, there is no easy answer to this question except that banks find this strategy a good and cost-effective means of doing business with the poor (Yeboah, 2010). A study of microfinance borrowers in Bangladesh and Uganda reveal that between 76% and 87% of MFIs current borrowers and dropouts have expressed a preference for independent borrowing (Women's World Banking, 2003). The presence of free-riding problem erodes the benefit of joint liability since instead of creating a system of peer monitoring to reduce default, risky members take advantage of risk-averse members by defaulting on loan repayments.

Another limitation to joint liability is that because it seeks to deter borrowers from using loans for non-investment purposes (Attanasio, et al., 2012), borrowers who need finance for consumption smoothening are more likely to be excluded. Contributing to this argument, Johnson & Rogaly, (1997) argued that a major concern of group lending approach to poverty is the danger that the very poor may be ostracized during the process of self-selection. Because the poorest in the society are often the most deprived and vulnerable and perceived as high risk, they may be excluded during group formation. Another drawback of joint liability is that it often insists on frequent time-consuming repayment meeting and applies social pressure, which is burdensome for borrowers (Attanasio, et al., 2012). These perceived limitations of joint liability have heightened the debate on whether group lending holds any comparative advantage over individual lending (Kodongoa & Kendi, 2013; Attanasio, et al., 2012; Bharat & Ogden, 2010). Whilst the debate is intense amongst microfinance scholars, microfinance providers across the world are either moving to or adding individual lending into their lending strategies. Attanasio et al., (2012) and Giné & Karlan, (2014) pointed out that in order to create lending products that are more attractive and less burdensome to potentially good borrowers, MFIs are increasingly moving from group to individual lending. In a recent study about the decline of group lending, Ahlin & Suandi (2018) suggest that any movement away from group lending is better explained via MFI's gaining experience rather than a secular time trend.

2.3.2 Individual Lending Methodology

Evidence from microfinance pioneers and some of the most successful MFIs present strong indications of the recent shift in favour of individual lending. For instance, MFIs such as ASA, BancoSol and Grameen banks have either modified or dropped joint liability entirely, acknowledging that it is not efficient in latter loan cycles (Gine, et al., 2010; Women's World Banking, 2003). In 2001, the Grameen Bank is the global pioneer of group lending revised its lending strategy and created the Grameen Two model which emphasises lending to individuals (Banerjee & Duflo, 2010). The individual lending methodology is also favoured by MFIs in many developing countries such as Kenya, Philippines, Mongolia and Ghana

(Kodongoa & Kendi, 2013; Giné & Karlan, 2014; Attanasio, et al., 2012; Pollio & Obuobie, 2010).

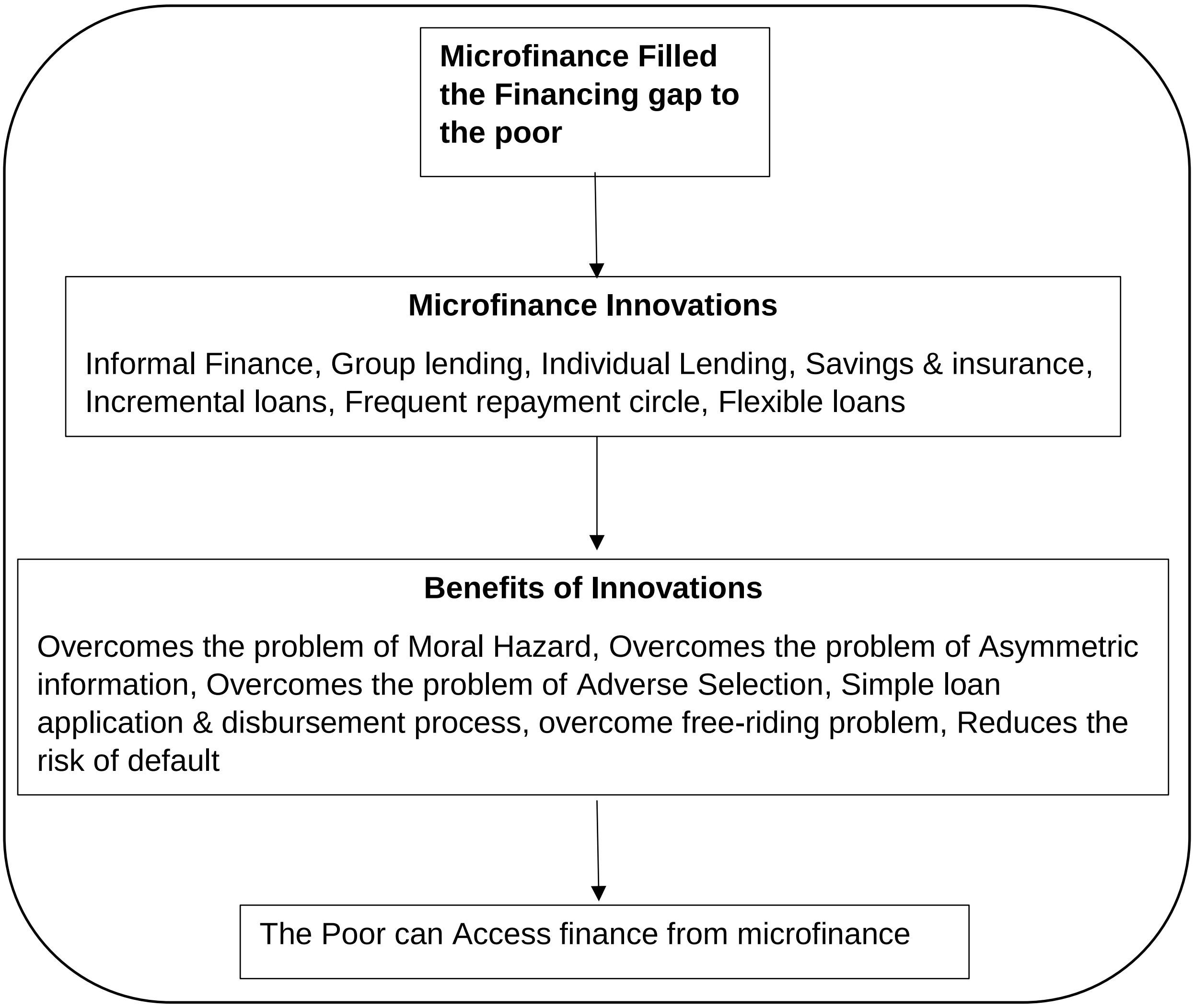
Dellien et al., (2005) provide a detailed review of individual lending methodology and how it is implemented. Individual lending involves direct lending to individuals based on a detailed assessment of the borrower's financial and economic information often analysed by a loan officer. The authors point out that under the individual lending, loan officers are solely responsible for credit decisions, screening, monitoring and enforcing repayment and sanctions on borrowers. The main distinction between group lending and individual lending is that whilst the former hold the entire group members responsible for any default, the latter holds only the individual borrower responsible for loan repayment (Madajewicz, 2011). Therefore, in order to encourage repayment, borrowers are required to provide collateral, guarantors and co-signers, whilst the loan officers ensure strict contract enforcement (Dellien, et al., 2005). Instead of collateral, Babu and Singh (2007) noted that collateral substitutes such as borrower's driver's license, degree certificates, livestock's and other items are required by prerequisite for loan sanctioning. In a study of MFIs in Russia and Eastern Europe, Armendáriz de Aghion & Morduch (2000) find that guarantors are useful in enforcing repayment by exerting sufficient social pressure on borrowers to repay loans. For fear of losing his reputation to the extent of the defaulting borrower in the community, guarantors can exert pressure on borrowers to repay the loan (Ibtissem & Bouri, 2013). However, a related study of Brazilian microcredit programme (VivaCred) argue that the guarantor mechanism is only applicable if the borrower has pledgeable assets, if the legal framework allows for easy/quick the transfers of asset ownership from borrower to lender and if the asset pledged are not very liquid (Jaunaux & Venet, 2009). Both authors contend that all three conditions are not present in many developing countries. Agreeing with this argument, Kodongo & Kendi (2013) noted that most microfinance borrowers in Kenya do not have assets collateral and the rigid judicial system hinders quick transfers of assets when they are available. Another benefit of individual lending is that it saves borrowers transportation cost and time spent on group meeting and loss of confidentiality when their investment projects and financial situation are discussed with peers (Maria, 2009). Giné and Karlan, (2010) argued that at group meetings, members could oppose the project of a borrower which could impede the individual's growth. However, individual lending has been criticized for focusing on the wealthy poor and neglecting the poorest (Madajewicz, 2011; Dellien, et al., 2005) and its high transaction cost resulting in the very high interest rate that is unbearable to the poor

(Kodongoa & Kendi, 2013). However, evidence from Maria, (2009) and Attanasio, et al., (2012) suggest that it is the poorest of the poor that benefits from both group and individual lending methodologies.

Earlier studies had suggested that MFIs are either involved in group lending or individuals lending, but not both due to the heterogeneous nature of both lending methodologies and their clientele. A growing number of MFIs, including ASA and Grameen Bank, are employing both lending methodologies and thus widening their outreach (Jaunaux & Venet, 2009; Roodman & Qureshi, 2006). For instance, the Grameen Bank developed the Grameen two model to allow her to provide individual lending in addition to the classic group lending model. The Grameen Two model provides a flexi-loan system that allows borrowers multiple options to repay their loan on an individual basis (Sengupta & Aubuchon, 2008). The flex-loan system is an innovation to conventional individual lending strategies based on the assumption that poor borrowers intend to pay back loans; hence loan rescheduling is allowed to mitigate defaulting when the poor face adverse periods. Rutherford (2006) noted that under this system, borrowers individually negotiate their repayment schedule rather than default. Therefore, because the default of one borrower now poses no threat to the group access to future credit, each member is accountable only up to his or her individual liabilities (Sengupta & Aubuchon, 2008). This creates a sense of responsibility for borrowers and eliminates the problem of free-riding. In general, each of the two lending systems has its strengths and weaknesses (Kodongoa & Kendi, 2013) however; they provide alternatives for the varying needs of the poor. Microfinance's ability to evolve and innovate along the changing needs of the poor has been instrumental in its continued growth in many developing countries.

Other innovative techniques such as progressive lending and flexible loan repayment policies have been employed by MFIs to lessen the burden of repayments and encourage reliable borrowers (Armendáriz & Morduch, 2000). Under progressive lending, borrowers are loaned small amounts in the first period to be repaid on a weekly or bi-weekly interval and upon consistent repayments, the loan size is increased. This strategy protects micro-lenders from losing large sums through default borrowers since loans are uncollateralised. With this strategy, lenders are able to "test" borrowers with small loans at the start in order to screen out the worse prospects before taking additional risks by expanding loan scale (Armendariz & Morduch, 2004). In addition, lenders can evaluate and identify reasons for non-repayment thus; the information could be used to improve service delivery. Shapiro (2014) pointed out that progressive lending could reinforce dynamic incentives, as a borrower who defaults on the current loan gives up the possibility of a larger loan (s) in the future.

Figure 2. 3 How Microfinance Filled the Financing gap to the poor



Source: Adapted from Mahmood et al., (2013) and Armendariz de Aghion and Morduch, (2005).

In summary, the above discussion on the uniqueness of microfinance innovations emphasises how the various microfinance initiatives overcame obstacles that have hindered formal and traditional financial institutions from providing finance to the poor. The evolving nature of microfinance discussed above in the shift from joint liability to individual lending (Grameen Two) has ensured that it adapts to the changing times and needs of clients. However, the extent to which microfinance institution can provide tailored services to the poor is dependent on their knowledge of the poor, the local environment and how much of that knowledge feeds into the product design and policy implementation process. Bellù & Liberati (2005) contends that identifying the poor is important to simulate the impact of alternative policies on poverty and to rank policy options according to some poverty impact indicators in order to select the most preferred option. In line with the above assumption, Section 2.4 will explore the concept of poverty.

2.4 Microfinance and Poverty: Understanding the main Users of Microfinance

2.4.1 The Notion of Poverty

Poverty is widely perceived as one of the most persistent and endemic problems that have ever faced humanity. This is why in 2000, the governments of 189 countries adopted the United Nations Millennium declaration and resolve to "spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected" (UN, 2000:p4). This declaration was subsequently etched into what later became the first of Eight (8) Millennium Development Goals: To halve extreme poverty and hunger by 2015. In continuation, a post-2015 initiative has been suggested titled "getting to zero" to champion the goal for eradicating extreme poverty by 2030 through a tripod strategy of "tackling chronic poverty, stopping impoverishment and supporting sustained escapes from poverty" (The Chronic Poverty Report, 2014:p1). Although poverty is a universal concept, its definition has been a source of debate. Minujin et al., (2006) contend that the poverty debate has been exacerbated due to concerns over the varied potential causes of poverty and ways of comparing and measuring poverty domestically and internationally. Therefore, poverty lacks a generally unanimous definition; instead, it has evolved over time especially in line with societal values and needs (Berube, 2012; Niemietz, 2011).

Poverty in its most general sense is the lack of necessities such as basic food, shelter, medical care, and safety (Bradshaw, 2005). According to Baratz & Grigsby (1971), poverty is a severe lack of physical and mental well-being, closely associated with inadequate economic resources and consumption. This assumption is based on the premise that people are poor because they lack certain items or resources to acquire their needs. Because the emphasis here is on "lack and Needs", the focus is then on what is required to meet these needs. Therefore, the traditional/monetary approach has maintained that poverty stems from circumstances in which people lack the income, wealth or resources to acquire or consume basic necessities (Spicker, 1993). However, many scholars and developmental organizations have argued that poverty is multifaceted, hence cannot be resolved through monetary measures alone. Sen (1992) pioneered this view, emphasising that poverty results from a capacity failure or capacity deprivation, which implies “the failure of basic capabilities to reach certain minimally acceptable levels”. Basis capabilities here implies the freedom to avoid hunger, disease, illiteracy, and abuse (UN, 2004). This view suggests that any form of obstruction to an individual’s ability to pursue a healthy life pushes such individuals into poverty. Although the above definitions have captured some aspects of poverty, scholars (Bellù & Liberati, 2005) have argued that they fall short of a multidimensional definition necessary to capture the various idiosyncrasies of deprivation faced by the poor. Poverty and its causes are multidimensional because it varies by gender, age, culture, and other social and economic contexts (World Bank, 1998). In order to address this, the idea of social exclusion was introduced because it projects a broader view of deprivation and lack. According to Levitas et al., (2007: p9) social exclusion is viewed as “A complex and multi-dimensional process that involves the lack of or denial of resources, rights, goods and services, and the inability to participate in the normal relationships and activities, available to the majority of people in a society, whether in economic, social, cultural or political arenas. It affects both the quality of life of individuals and the equity and cohesion of society as a whole”. This description presents a broader view of poverty, which identifies the multidimensional disadvantages faced by individuals. Therefore, the multidimensional approach to poverty has remained dominant in the literature. However, an important deduction from the aforementioned is that poverty is recognised in terms of the wellbeing of individuals measured through the standard of living and quality of life.

In spite of the various dimensions of well-being highlighted above, the literature is polarised along with two broad approaches to describing poverty: one focused on the assessment of living standards, the other focus on the rights, opportunities and capabilities of individuals (Aigbokhan, 2008). The former relates to the perspective of an economist who generally emphasizes the actual consumption of material items. The latter favours a broader social concept that emphasises how and when individuals access resources and meet their personal needs. In order to grasp the concept of poverty, these two dimensions of well-being will be analysed in detail below.

2.4.2 Consumption-Based Poverty

Given the multidimensional nature of poverty, the question of how to measure poverty in order to establish the difference between the poor and the non-poor becomes pertinent. Economists tend to view poverty as a concept of hardship that reflects "economic position" or "economic well-being," that is measurable (Robert & Mullikin, 2001). In their view, poverty is driven by the lack of command of resources to better one's life and those who are poor have fallen below the certain minimum economic threshold. This threshold is necessary to determine whether people are in poverty (poverty rate) (Bradshaw, 2001) and to categorize groups of the poor according to the depth and severity of poverty (El Amin, 2003). Therefore, this approach seeks to measure wellbeing or the lack of it through certain indicators that are quantifiable. Some indicators relate to physiological needs, housing needs and hunger. Some studies (Chen & Ravallion, 2007) have used income and consumption as indicators to measure poverty whilst others use participatory techniques to ascertain which individuals or households are considered as poor in the social context of their community (Adjei, 2008). However, economist prefers to distinguish the poor from non-poor by using the per capita consumption that specifies whether a person can attain a minimum level of welfare measured by a per capita expenditure threshold. This constitutes a poverty line, thus; consumption levels below this level is regarded as inadequate to achieve a minimally acceptable material standard of living (Adjei, 2008). Therefore, people who fall short of attaining the minimum level of welfare are considered being poor (World Bank, 2013; Ravallion, 1998). Currently, the poverty line stands at an expected minimum expenditure of $1.25 per day (World Bank, 2013), thus the inability of an individual to afford some basic necessity such as food, safe water, clothing, shelter and medicine subjects her to poverty.

The consumption approach to measuring poverty has been criticised for several reasons. El Amin (2003) argues that since the socioeconomic and political context of various countries varies concerning what is considered a minimum standard of living, an absolute poverty line cannot be an adequate measure of poverty across countries. Liverpool & Nelson (2010) contends that the expenditure-based measures of well-being cannot distinguish between consumption supported by the erosion of assets and consumption based on production. Citing the case of a terminally ill person whose family had to sell off assets in order to meet medical expenses and food cost, Hulme (2003) concludes that the sale of assets to maintain a level of consumption is an indication of chronic poverty. This suggests that the consumption approach is error-prone since it can mistake the poor to be non-poor when their level of expenditure is above the threshold regardless of whether the money was borrowed, transferred from family or resulted from the sale of assets. Another limitation of the consumption-based poverty measurement is that expenditures in many households will rise above or fall below the poverty line through time regardless of policy interventions (Liverpool & Nelson, 2010). This is possible especially with poor households whose income are largely based on fluctuations in the weather, seasonal crop yield and commodity prices.

Despite the above criticism, the poverty line ensures easy identification of the poor for policy and resource targeting to improve living conditions (El Amin, 2003). According to Hulme & Mosley (1996), "the case for adopting an income poverty approach to the study of poverty is further strengthened by the fact that the majority of national governments and development agencies use the concept for their analysis of poverty and anti-poverty policies". Moser & Felton (2007: p1) also contends that "income has long been the favoured unit of welfare analysis, because it is a cardinal variable that is directly comparable among observations, making it straightforward to interpret and use in quantitative analysis". Townsend (1993) has strongly defended the use of consumption-based poverty measure by arguing that it allows for the analysis and quantitative comparison of changes in peoples access to their needs.

2.4.3 Welfare Based Poverty

Recognizing that welfare is multi-dimensional and that the use of any single assessment metric may be inappropriate, (Ravallion, 2012) presupposes the need for an alternative framework for measuring well-being. It is now a traditional view that poverty has transcended the lack or deprivation of material needs (measured by the concept of income and consumption) to include vulnerability, exposure to risk, powerlessness, voiceless and exclusion from resources relative to members of the society. Succinctly described, multidimensional poverty is viewed by incorporating issues regarding economic well-being, capabilities and social inclusion (Wagle, 2002). An economist who use income indicator alone often suggests that it is a good measure of poverty: implying that people who are income/consumption poor are the same as those who suffer from malnutrition, ill education and disempowerment. However, a study conducted by Laderchi et al., (2003) found that in "India, 43% of children and over half of adults who were capability poor, using education or health as the indicator were not in monetary poverty; and similarly, over half the nutrition poor children were not in monetary poverty". Lokshin et al., (2006) observe that income-based objective welfare indicators often fail to account for important socio-economic factors that could affect the level of a household's well-being. In such situations, multidimensional poverty measures are required to provide a more accurate representation of the multiple deprivations different people suffer (Alkire, 2009).

Studies such as (Wagle, 2002; Sen, 1985; Ravallion, 2012) have pioneered the idea of the need for a multidimensional measure of poverty. Summing up the ideas put forth by these authors suggest that subjective measure of poverty provides a more comprehensive view of the breadth of deprivation faced by the poor as opposed to the economist objective measure. The Subjective measure of poverty is founded on the premise that poverty is best understood from the perspective of the people entrapped in it. Therefore, poverty can be measured by interviewing people to self-assess whether they are poor (Posel & Rogan, 2014). Cantril (1965) was one of the pioneers of this idea where he used a ladder on which respondents ranked their levels of happiness or satisfaction with life. This method has been recently modified to measure welfare by asking people to rank themselves on a social subjective poverty line (SSPL). The SSPL can be defined as the income below which people tend to think they are poor in the specific setting and above which they tend to think they are not poor (Ravallion, 2012). One may ask if there is a significant difference between SSPL and the economist poverty line ($1.25 per day). The former differs from the latter in that it considers the opinion of the poor and the specific local setting in which they live as opposed to the generic income/consumption level stipulated (poverty line) for all countries of the world. Given the assumption that self-assessed poverty is appropriate, a pertinent question could be asked: are individuals rational enough to assess their poverty level and what advantage is accrued from this kind of assessment? In response, subjectivist could pose a counter-question: how can we assess the poverty level of an individual without her inputs? Since the assessment of poverty involves a value judgement regarding what constitutes a good or bad quality of life, Kingdon & Knight, (2006) argue that an approach which examines the individuals own perception of well-being is less imperfect, or more quantifiable, or both, as a guide to forming that value judgement than are the other potential approaches.

Empirical studies (Mangahas, 2001; Posel & Rogan, 2014; Kingdon & Knight, 2006) have clarified the reach and appropriateness of using the subjective or opinion poll questions to generate indicators that measure poverty. Advocates of subjective measure suggest that many problems associated with the monetary measure may be avoided through self-assessed poverty measure. Ravallion and Lokshin (2001) argue that the subjective measure of poverty does not rely on predetermined poverty threshold and assumptions that suggest that only increase in consumption guarantees improve in wellbeing for the poor. In addition, a subjective measure is likely to present an individual's socioeconomic trajectory better than a global measure of objective since its covers different elements of an individual's socioeconomic status (Singh-Manoux & Adler, 2005). Therefore, the subjective poverty measure can capture a wider scope of welfare component that can be assessed using the per capita income/consumption measure. For instance, Posel & Rogan, (2014) contends that state-subsidized housing and access to basic services such as electricity and water that may influence subjective assessments of economic well-being will not be reflected in the monetary measure of poverty. In their study, Lokshin et al., (2004) used both subjective and consumption questions to measure the poverty level of respondents. Findings from the study indicate that subjective poverty analysis may produce an accurate assessment of policy interventions that target poverty and wellbeing in developing countries. Most importantly, the subjective measure can gather more information about various kinds of deprivation, which may not be possible using monetary measure because respondents may be reluctant to provide information on their income/consumption (Tourangeau & Yan, 2007).

Despite the merits of the subjective measure of poverty, both advocates and opponents have raised several concerns. A major concern is that, like the monetary measure, the subjective measure of poverty is also prone to bias from the respondents. Bertrand & Mullainathan (2001) and Bernard et al., (2008) observe that unobservable characteristics such as respondent's mood or personality may influence subjective assessment and thus generate bias inferences. Concerns about the impact of the design and structure of self-assessed questions on the interpretation of respondent's wellbeing have also been reported in the literature. Studies from Taylor (2006) and Gabriella & Pudney (2011) showed that opinions of respondents varied largely at a different time of the week (mid-week and Fridays) and when questions are slightly altered. Both studies argue that these measurement errors cannot be disregarded since the inconsistency in response influences the findings of the exercise. Although respondents may accept the idea to self-assess their poverty level, they are likely to provide unreliable self-report. A recent study (Castilla, 2010) find that subjective poverty measure can be misleading because individuals often analyse their situations and income based on a reference group or people the co-exist with. Therefore, the author suggests that there is a likelihood for individuals to consider themselves as poor not because of their inability to meet needs but a feeling of dissatisfaction having not equalled the income level of their reference group.

Having underscored the imperfections of subjectivity, most studies that analyse subjective poverty do not propose that subjective measures should replace money-metric poverty measures (Posel & Rogan, 2014). Rather an alternative approach, which entails combining the monetary and subjective approach, is perceived to provide a more robust measure of poverty. The need to study poverty with a multidimensional framework is highly recommended (Asadullah & Chaudhury, 2012), thus does not support the argument for any single approach. Guardiola & García-Muñoz (2009) points out that information from subjective assessment could contribute to the objective interpretation of development within basic needs approaches, such as the Millennium Development Goals on the United Nations agenda.

2.5 Active Poor versus Extremely Poor

The multidimensional nature of poverty suggests that poverty manifest in different forms. Existing studies depict a widespread categorization of the poor as those who suffer from lack of food, water, diseased, displaced, unemployed, underemployment and micro-entrepreneurs. The consequence among those affected often include physical, mental, and emotional disability, limited skills and education, low self-esteem and lack of self-confidence, and fear, resentment, aggression, and truncated vision (Robinson, 2001). UNDP (2013) succinctly described the effect of poverty as low levels of life expectancy, educational attainment, and wealth. Nonetheless, people’s experience of poverty tends to differ on the extent of deprivation and the length of time spent in poverty (Hulme and Shepherd, 2003). For instance, there is a substantial difference between poor people who suffer severe food and water shortages, homeless, diseased, chronic debt and have no strength to work due to old age and those who struggle to meet basic necessities but have some assets, employment and operate microenterprises. Robinson (2001) described these two main categories of the poor as the extremely poor and the economically active poor. Other scholars have proposed a four-tier (Jalan & Ravallion, 2000) and five-tier (Hulme, et al., 2001) categorisation of the poor; however, this study will focus on the two main categorisations of poverty.

The extremely poor is a separate segment with many significant differences from the active poor (CGAP, 2014). This group of the poor have been identified in the literature with various names such as the chronic poor, hard-core poor and often called the poorest of the poor (Hulme, 2003; Vakis, et al., 2015). People living in extreme poverty are generally described as those living below the poverty line of $1.25 a day. This group of people constitute over one billion of the world's population (World Bank, 2014; USAID, 2013). However, merely identifying this group of the poor by the minimum consumption threshold does not provide a clear picture of who they are or what it means to be labelled the 'extremely poor'. Shepherd (2007) argue that unlike many poor people who could climb out of long-term poverty, the chronically poor are stuck in poverty traps. He stressed that this category of the poor "are structurally positioned so that escape is difficult or impossible without significant changes to the contexts in which they live and work" (Shepherd, 2007: p6). According to Hulme and Shepherd, (2003) the chronically poor are individuals who have experienced capacity deprivation for many years and sometimes all their lives, having no hope for escape. The authors suggest that a person can be grouped among the chronically poor if she has remained in poverty for over five years, given that this constitutes a significant period in the life of an individual. Those who are poor for over a five-year period have a higher probability of spending the rest of their lives in poverty (Rose & Dyer, 2008). Harper et al., (2003) posit that chronic poverty is often intergenerational, transferred across generations through debt, disease, attitudes and tradition such as value systems and gender bias. In a more recent study, Musicka & Mareb (2006) found that the intergenerational transmission of poverty is significantly stronger than the intergenerational transmission of family structure, thus suggesting the persistent levels of deprivation that keeps the chronically poor trapped in poverty.

The causes of chronic poverty are complex and usually involve sets of overlapping factors (Shepherd, 2007). In most cases, they are the same causes of poverty, but for its severity, prevalence and persistence. Contributing factors include epidemic outbreak such as the recent Ebola disease in West Africa, conflict, wars, natural disasters and adverse climate conditions. Also, individuals who are too young or old, have disabilities that prevent them from working, have no assets or income and sometimes no family member to support them in any way are associated with extreme poverty. An example can be given of children who lost their parents to the deadly Ebola virus in Liberia (West Africa) in 2014, or the breadwinner of a family who are diagnosed of a terminal illness and thus bedridden. In both cases, the families involved are likely to slide into extreme poverty since most developing countries lack a robust welfare system to assist people in poverty. Their circumstances ensure that they have too little or no income to meet their basic needs. These experiences compounded by more systemic or structural factors are responsible for positioning the extreme poor in vulnerable circumstances (Marsden & Wood, 2011). Hulme, et al., (2001) pointed out that the chronic poor experience several forms of disadvantage simultaneously: these combinations keep them in poverty and block off opportunities for escape. It is noteworthy to stress that although the chronic poor is a heterogeneous group due to their varied forms of deprivation, they have two basic things in common. The first is that they all suffer from severe, prolong and multidimensional deprivation and the second is that they all lack social support systems that provide any form of succour. Therefore, it is not just the impairment and deprivation but also a lack of a social support system that creates a breeding nest for chronic poverty. The extreme poor is not only viewed as those who lack certain basic life necessities but also as those who cannot access opportunities (World Bank, 2014).

Although microfinance aims at poverty reduction, how it will reach and benefit the chronically poor is unclear. Hulme and Shepherd, (2003) argue that given the severity and multidimensional nature of their circumstances it is unlikely that market-based factors can have a significant impact on the chronic poor. Both authors suggest that instead of microfinance "policies to redistribute assets, direct investment toward basic physical infrastructure, reduce social exclusion (from employment, markets and public institutions) and provide long-term social security will be necessary if extreme poverty is to be significantly reduced". Indeed, a multifaceted approach may be appropriate to tackle a multi-factor problem. As mentioned in the case of children who lost their parents to Ebola virus, the provision of credit might be inappropriate compared to the provision of food, shelter and education. Therefore, those who are trapped in chronic poverty due to serious health challenges would most likely require health care, the voiceless would require their rights protected and the vulnerable and destitute taking care off by the society. All these individuals require different forms of non-monetary assistance to cope or exit poverty. This is why there is a growing acknowledgement that social protection is appropriate for tackling chronic poverty (Barrientos, et al., 2005; CPRC, 2010; Shepherd, 2011; CGAP, 2003).

In contrast, the economically active poor constitute poor people with some form of employment and are not suffering from severe food-deficit or destitution (Robinson, 2001). This limited scope has been broadened in the literature to include the transient poor (Alkire et al., 2017; Bayudan-Dacuycuy & Baje 2017). The transient poor are those who often fall into and out of poverty due to changes in family structure (divorce, marriage, birth of a child, formation of a new household), labour market-related changes (number of workers in the household, unemployment), and major changes in income components (capital income, labour income, and public transfers) (Biewen, 2014). This category of individuals also includes micro-entrepreneurs who possess some level of skill, assets and access to some opportunities but not enough to overcome poverty. Vandenberg (2006) presents a clear classification of the economically active poor. He suggested five categories of the active poor:

Poor entrepreneurs: These include people who operate some type of small enterprise, but whose income is not above the poverty line.

Poor workers: These include those whose income, benefits, rights and protection are not enough to meet basic levels of well-being.

Household members dependent on poor workers and entrepreneurs: These include people who depend on the income from members of their family who are engaged in micro business.

Unemployed: This group includes poor people without work who may be able to reduce their poverty by starting their own enterprises or by gaining employment in a small enterprise.

Poor consumers who purchase from small enterprises: This group includes poor people who receive services or buy products from small enterprises, which reduce their poverty.

It can be deduced from Vandenberg (2006) suggestion that the economically active poor are a heterogeneous group. However, what is common to these people is their inability to live consistently above the poverty line and their ability to engage in productive activities but constrained by lack of resources. Whilst the former is important given that it portrays how they are trapped; the latter holds the attraction for microfinance as it projects their inherent capabilities to exit poverty with some help. A recent study (Okibo & Makanga, 2014) find that MFIs target the productive or active poor to aid business start-ups, grow micro businesses and enable the client to provide education for their children. The main aim is to create a sustainable income flow from the business venture that allows microfinance recipients to meet other high priority needs such as health care, food and education. In a similar study, Hulme and Shepherd, (2003) argue that microfinance targets the economically active poor because they are the ‘‘easy to assist poor’’. The reasons for this are not farfetched since the economically active poor constitutes people who are able to engage in productive activities, they can be easily targeted with microfinance and benefit from such access.

Having examined poverty and the identification of the poor using two broad perspectives, one may wonder the usefulness of this analysis. Hulme & Arun (2009) suggested that this general distinction of poverty is useful in the planning and development of effective strategies for overcoming poverty. Because most microfinance institutions have a mission of providing financial services to the poor, it may be misleading to assume that the poor regardless of the severity and level of deprivation form the main users of microfinance services. What is common is that different programs target different segments of the poor population and thus develop products and services that meet the needs of their target group. Therefore, Ledgerwood (2013) stressed the need for MFIs to understand their target segment in order to enable institutions to provide services that meet their needs. In general, the above analysis provides insight into two broad groupings of the poor and how they can be provided with assistance to exit poverty. It also suggests why microfinance target a certain category of the poor.

2.6 Importance of Financial Services and microfinance to Poor women

The absence of access to financial services is generally acknowledged as a major contributor to the prevalence of poverty in developing countries (Wale & Makina, 2017; Neaime, & Gaysset, 2018; Hermes & Lensink, 2007). The demand for finance is well documented in the literature and as explained above (see Section 2.2), the poor women are unable to access loans from conventional banks due to lack of collateral and information asymmetry. Consequently, poor women have often relied on informal sources of finance and sometimes trapped in the nest of exploitative moneylenders and landlords. However, since the aim of microfinance programs is to bridge the finance gap by providing financial services to the excluded poor (ICDF, 2002), one may wonder what it actually does for the poor? This part of the study will explore how poor women benefit from financial services provided by microfinance institution.

2.6.1 Microcredit

A review of the literature shows that microcredit is important to poor women in two major ways: for consumption smoothing and increasing income (Nachimuthu et al., 2018; Hussain et al., 2018). Similarly, studies (Kazianga & Udry, 2004; Doan, et al., 2011; Mordoch, 1995) have indicated that lack of credit for income and consumption smoothening could have severe implications on wellbeing. For example, in the aftermath of devastating floods, poorer households in Bangladesh suffered from poor nutrition due to the inadequate formal coping mechanism and lack of credit (Majumder, 2013). Estimates show that poor nutrition causes up to 45 per cent mortality in children under 5 years (that is 3.1 million per year and 8,500 children per day) (UN, 2014). It has also been observed that poor and credit constrain parents are three times likely to pull their children out of education (Schiere, 2010). Based on these assumptions, Barrera-Osorio & Pérez-Calle (2007) argue that income fluctuations are partially responsible for creating and reinforcing poverty, especially among women. These fluctuations stem from erratic income streams due to instability in employment or productive activities engage by poor women (Christen & Mas, 2009). Factors such as poor crop yield, adverse seasonality and commodity prices have been cited as the main cause of income volatility that makes the poor women even more vulnerable. Therefore, during periods of income shortfall, the poor are unable to maintain pre-income dip consumption levels due to the gap created by the shortfall.

Barrera-Osorio & Pérez-Calle (2007) points out that although poor households in developing countries face significant income volatility, there is no formal mechanism available to cope with such fluctuations. This is because most formal credit services are not useful for consumption smoothing due to long loan approval time, high transaction cost and the focus on income generating loans (Zeller, 2000). Conversely, microcredit can provide consumption smoothing because it is small and readily available, flexible and does not attract high transaction cost. Thus, access to microcredit helps poor women to smooth consumption to prevent an adverse impact on children's nutrition, education and general wellbeing (Doan, et al., 2011). According to Chowdhury (2009), microcredit could have a positive long-term impact on productivity through consumption smoothing since it bridges that finance gap which means that women can send their children to school, or buy essential medications, and maintain nutritional in-takes of their children. Chliova et al., (2015) argue that microcredit reduces the cost of sending children to school in developing countries which includes both direct costs (tuition, books, uniforms etc.) and opportunity cost (child labour, destitution and crime). Importantly, microcredit can help households in transitory poverty to gain the stability in income required to live sustainably above the poverty line. A recent study of farmers in sub-Sahara Africa (Druilhe & Barreiro-Hurlé, 2012) finds that credit constrained poor household could not afford to purchase fertilizer for their farms to increase crop yield and raise income. This could be facilitated through improved access to microcredit to enable the poor purchase productive inputs, increase productivity and raise their income levels (Sarris, et al., 2006).

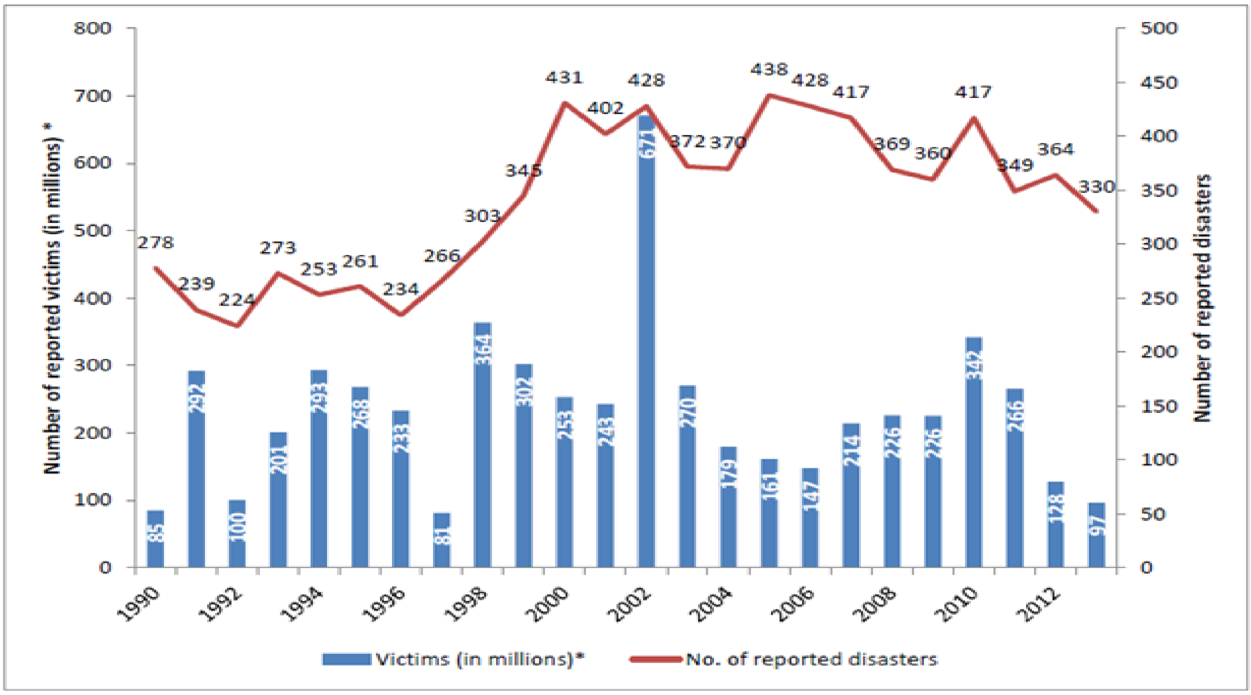
2.6.2 Micro-saving

Micro-saving and deposit services are increasingly becoming a basic service offered by most microfinance institutions to the poor female client. The idea of saving for the poor contradicts traditionally held assumptions that the poor do not save because they are either wasteful or have too little income for consumption let alone saving (Matin & Rutherford, 1999). Nonetheless, studies have shown that the poor also save, and they already use informal saving mechanisms to manage their meagre and fluctuating income. These saving mechanisms include saving under pillows, investing in livestock's or precious materials like gold and saving with associations like ROSCA (Christen & Mas, 2009). However, most informal saving instruments have certain limitations such as lack of privacy, flexibility and prone to fraud, adverse economic and climatic conditions (Fafchamps & Lund, 2003; Kazianga & Udry, 2004; Collins, et al., 2009). Ledgerwood (2013) argue that although saving under the pillow and with friends are very liquid and accessible, they are vulnerable to unnecessary expenditure and risk of theft. Such limitations have contributed to the rise in demand for saving product by the poor. For example, Grameen Bank added over 2 million new savers between 2005 and 2009, and deposits currently amount to 153 per cent of the outstanding portfolio (Glisovic & Forster, 2011). Rutherford (2009) pointed out that the poor women need saving service to enable them to contribute small variable amounts frequently and access larger sums in the short, medium or long term. These lump sums could be used to invest in new tools and businesses to improve their productivity (Christen & Mas, 2009). As opposed to holding physical assets that are not liquid, Ledgerwood (2013) contends that poor women need liquid saving facilities to handle emergencies or seize advantage of an investment opportunity. The author stressed that saving services also provide discreet safety of deposits and instils discipline especially when the poor are saving for future investments or child education. Saving services also provide a secure and ready to access platforms for receiving huge remittance and harvest income (CGAP, 2005). Recent evidence from the literature Tsai et al., (2018) suggest that access to microsaving reduces women dependency on sex work for income.

2.6.3 Microinsurance

Microinsurance is a new financial service option for poor households (Churchill, 2006). This is partly because early perceptions suggest that insurance was reserved for the wealthy and affluence in society. Some believe it is too much of a luxury for the poor to even envisage having. However, previous studies (Churchill, 2006; Escobar, et al., 2011) show that poor women need and benefits from taking microinsurance policy. Roth et al., (2010) argue that due to limited resources, the poor women are often without anything to fall back on in events of illness or death of a breadwinner. They observe that the poor often lose everything they have (livestock's and shelter) in events of natural disasters, thus reinforcing the poverty cycle. This is particularly important given the increasing volatility in climate conditions around the world (see Figure 2.4 below) evident through various forms of natural disaster ranging from drought, flooding, hurricane, tsunamis and earthquakes. Indeed the strong link between poverty, vulnerability and destitution of the poor to unanticipated losses are well documented in the literature (Goldberg & Palladini, 2010; De Bock & Gelade, 2012). For example, It has been reported that 950 global catastrophes occurred in 2010 with a colossal loss amounting to $130bn, of which only $37bn was protected by insurance (Munich Re, 2011). The report also points out that only 1% of the $14bn worth of property damage by an earthquake in Haiti was insured. It is worthy of note that as at the point of writing (5th May 2015), a 7.8 magnitude earthquake has been reported to have hit Nepal destroying lives and properties worth billions of dollars (BBC, 2015). Figure 2.4 illustrates the rising trend of natural disaster, which supports the argument for better risk protection for the poor. Goldberg & Palladini (2010) recognise the fact that these losses are not just disastrous for the poor women who often lack resources to fall back on but also erodes the lofty investments that governments, donors and MFIs have made towards women. Microinsurance which covers the lives, health and assets of the poor women is a vital way of minimising the risk associated with these kinds of unexpected disasters. Mechler et al., (2006) argue that poor women can use post-disaster claims from microinsurance to secure their livelihoods and stimulate reconstruction. Linnerooth-Bayer & Mechler, (2009) suggest that most poor people consider microinsurance as a more dignified and reliable way of coping with disaster than the dependence on charitable donations. Like microsaving, microinsurance provides a liquid and ready to access finance that can be used to lessen the cost of recovering from severe unanticipated shocks. However, Mazambani & Mutambara (2018) found that certain demand-side factors (Awareness, Financial literacy, Willingness to pay, Delayed consumption, Affordability, Ability to pay) constrained the adoption of microinsurance in low-income markets such as Nigeria.

Figure 2. 4 Trends in disaster occurrence and victims



Source: (CRED, 2013)

2.6.4 Remittance and Money Transfers

Remittance and money transfer are ways through which individuals working in urban centres or foreign countries support their poor families. Sil & Guha (2010) argue that whether domestically or internationally, money transfers by employed relatives play a crucial role in the lives of their families. A 2008 study (Hassan & Chalmers, 2008) of Somalians residing in the UK find that almost all remittance was used to meet basic needs including food, clothing, education, shelter and energy bills. A similar study showed that diaspora Ghanaians send money transfers to extended family members to handle health emergencies or funerals (Mazzucato, 2009). In line with this finding, Grameen Foundation (2009) suggest that money transfers can help poor recipients deal with adverse circumstances such as health issues, crop failures and natural disasters. More so, because remittance is an external source of income, it is insulated against disasters and geographic specific shocks. Besides the consumption impact of remittance, it provides opportunities for financial inclusion for the poor. Shaw (2005) argue that remittance clients could be incorporated into the banking system by offering savings bank accounts and other financial products to them. For example, some MFIs like Banco Solidario and Salcaja. Banco Solidario has created special savings accounts called "My Family, My Country, My Return," to include remittance clients into the banking system. By offering remittance services, MFIs can use both funds raised from charges and deposits to provide more loan facilities to the poor (IFAD, 2012). This has the potential of reducing poverty, as the poor are more likely to utilise increased financial access to improve their wellbeing. This is in line with recent studies (Adams, 2006; Lopez-Cordova, 2005) which suggest that remittance reduces the depth and severity of poverty, especially when measured by the squared poverty gap. In addition, remittance may help poor recipients build a traceable history of financial transactions, which may help reduce information asymmetric concerns. Fafchamps (2013) argued that in the absence of collateral, banks rely on evidence of steady income flow to provide credit to the poor. Against this background, remittance services offer an opportunity for direct income and is a catalyst for further access to a variety of financial services for the unbanked poor women.

2.7 The conceptualisation of Entrepreneurship

Entrepreneurs and entrepreneurship connote several meanings and several dichotomies may have been drawn up to capture this. Welter et al., (2017) outlines some of the major dichotomies in the body of entrepreneurship as follows: opportunity versus necessity-based; venture capital-backed versus bootstrapped; formal versus informal; men-owned versus women-owned; Innovator versus replicator; Promoter versus trustee; growth-oriented versus lifestyle; entrepreneur versus small business owner/proprietor. However, they argue that instead of appreciating the uniqueness of the different versions, options and characteristics of entrepreneurship activities and processes as equal and useful parts which make up the whole body, entrepreneurship research have too often taken the form of invidious distinctions implicitly serving a functionalist notion of entrepreneurship that valorises economic outcomes of wealth accumulation and job creation as the supreme and often only goal. For instance, many researchers have relied largely on the entrepreneurship definition of Shane &

Venkataraman (2002) to shape their view of the phenomenon and anything outside this purview are either not accepted as entrepreneurship or is regarded as mere peripherals. The problem with this viewpoint is that entrepreneurship is then limited to a narrow concept that focuses only on the individual's engagement with opportunities and too often on the outcomes of such an engagement (Davidson, 2015) without any regard for context.

Another invidious distinction was that presented by Isenberg (2011) which attempts to establish the difference between entrepreneurs are non-entrepreneurs by suggesting that self-employment or business ownership alone is not entrepreneurship and that the distinguishing factors are aspiration and risk. The author went on to define entrepreneurs as one who buys inputs low, transforms them through risk and sell them high. A pertinent question that begs for an answer is how do we determine what aspiration is and which one is entrepreneurial or not? If this question is clearly and conclusively answered, we could also clarify what form of risk is involved in business start-ups if any and why by taking on these risks such individuals are still not considered being entrepreneurs. The answer to these questions could be in the absence of context in conceptualising entrepreneurship. Welter et al., (2017) argues that "What is more useful to the world and to entrepreneurship writ large is some incremental contribution to our understanding of interactions between entrepreneurs and venture such as how impoverished female entrepreneurs starting informal ventures in contexts of deep cultural misogyny can improve their chances of survival and generate some degree of autonomy".

Zahra (2007) argues that paying more attention to the nature, dynamics, uniqueness and limitations of the context improves rigour, relevance and enriches the future entrepreneurial study. For instance, Welter et al., (2017) contend that when analysing the characteristics of women-owned business it is important to contextualise these in terms of structural and cultural factors that have an impact on the characteristics of women-owned firms and shape their development paths and strategies as well as resources available to them. This study agrees with this much broader conceptualisation of entrepreneurship which emphasises the value and usefulness of understanding the role of context. The current study agrees with Welter (2011) that entrepreneurship could impact on context and that context could impact the nature and extent of entrepreneurship. Therefore, we do not support the notion that successful and innovative Silicon Valley type entrepreneurs are the only ones deserving to be linked with, classified or become the real face of entrepreneurship. We argue that entrepreneurs include everyday individuals who are engaged in business either by necessity (for survival) or have created innovations and witnessed growth. Both categories are equally deserving of being referred to as entrepreneurs Welter et al., (2017).

Therefore, this study also focuses on illustrating the contextual complexities engineered by skewed cultural and traditional norms which limit women enterprising capabilities, livelihoods and rights and how these women strive to overcome against perceived insurmountable odds. They strive to exit poverty by necessity through engaging in income generating business. They strive to reclaim their voices within their household, voices which are often drown due to financial dependencies on male household heads. These women strive to prove to all doubting Thomas's, that indeed, they are a treasure of inestimable entrepreneurial capacities, those of which when they are restrained or locked limits the productivity of the nation whilst compounding the financial strain for the few working males.

It is worth noting that in recent years, researchers have made rapid and substantial progress in conceptualising their work (Baker & Welter, 2018). Zarhra et al., (2014) cautions as they observed that the focus has largely been placed on the role of context in influencing entrepreneurial start-up entry into the market which has limited entrepreneurial research regarding the nature of other forms of entrepreneurial activities and how context influences entrepreneurial processes. Accordingly, this study attempts to focus on how context (Nigerian) influence women entrepreneurs but also seeks to capture the nature of women entrepreneurial activities (what women do with access to resources) and how their local environments influence the entrepreneurial process (how women make decisions to access resources, engage with, benefit from and sustain or grow resources). This line of thought is predicated on the belief that by considering the other forms (not widely discussed) of entrepreneurship, the current study is indeed harvesting unique characteristics relevant to the core of what entrepreneurship is about. Welter et al., (2017) contends that "looking at the "other" is looking at entrepreneurship as there is no one type, the best way or ideal form of entrepreneurship".

2.8 Entrepreneurial Ecosystem

The term ecosystem may have originated from the work of Tansley (1935; P.299) in his early description of ecology where he stated that "the environment of the biome-the habitat factor in the widest sense… with which they form one physical system". Willis (1997) provides a contemporary definition of ecosystem "a unit comprising a community (or communities) of organisms and their physical and chemical environments, at any scale, desirably specified, in which there are continuous fluxes of matter and energy in an interactive open system". However, the business ecosystem was first coined in the 1990s by Moore (1993) in an influential article in the Harvard Business Reviewed. The author defined business Ecosystem as "an economic community supported by a foundation of interacting organizations and individuals... producing goods and services of value to customers, who are themselves members of the ecosystem. In his view, the member organisms also include suppliers, lead producers, competitors, and other stakeholders". Over time, they co-evolve their capabilities and roles, and tend to align themselves with the directions set by one or more central companies…" (Moore, 1996: 29).

The emerging approach to visualising how entrepreneurs and enterprises are birthed and sustained differ from historical traditional approaches (Spilling, 1996) which had focused its analysis predominately on the individual, ignoring the interactions of multiple factors that shapes and support the individual or enterprise. The modern approach acknowledges that while entrepreneurs drive change and innovation, they alone cannot be held responsible for creating the next steps in the societal evolution and the development of tomorrow's jobs (Vogel, 2013). Against this background, Mason & Brown (2014) argues that an entrepreneurial system is "a set of interconnected entrepreneurial actors (both potential and exiting), entrepreneurial organisations (e.g. firms, venture capitalists, business angels, banks), institutions (universities, public sector agencies, financial bodies) and entrepreneurial processes (e.g. the business birth rate, numbers of high growth firms, levels of 'blockbuster entrepreneurship', number of serial entrepreneurs, degree of sell-out mentality within firms and levels of entrepreneurial ambition) which formally and informally coalesce to connect, mediate and govern the performance within the local entrepreneurial environment". As broad as this definition may seem, a critical point to note here is that entrepreneurial ecosystems are unique and localised. It does not suggest a one size fits all neither does it imply that what applies in one region may be practical in other regions.

It can be deduced from the above discussions and definitions that like nature's ecosystem, an entrepreneurial ecosystem is an aggregation of multiple components which are perceived to influence entrepreneurial activities in a certain region or local environments. Vogel, (2013) grouped these components into three main categories namely (1) infrastructure, governments and regulations, markets, innovation as well as the geographic location forming the non-entrepreneur-specific general context (externalities); (2) financing, entrepreneurial education, culture, networks, start-up support and exposure of entrepreneurs as the entrepreneurship-specific environmental context; and (3) the entrepreneurial actors as the individual-level components. The current study will use Vogel's model as a guide to understand and assess the microfinance ecosystem for women entrepreneurial development in Nigeria (For details see Section 5.16: Table 5.10)

Vogel's Model of an Entrepreneurial Ecosystem

Source: Vogel, (2013).

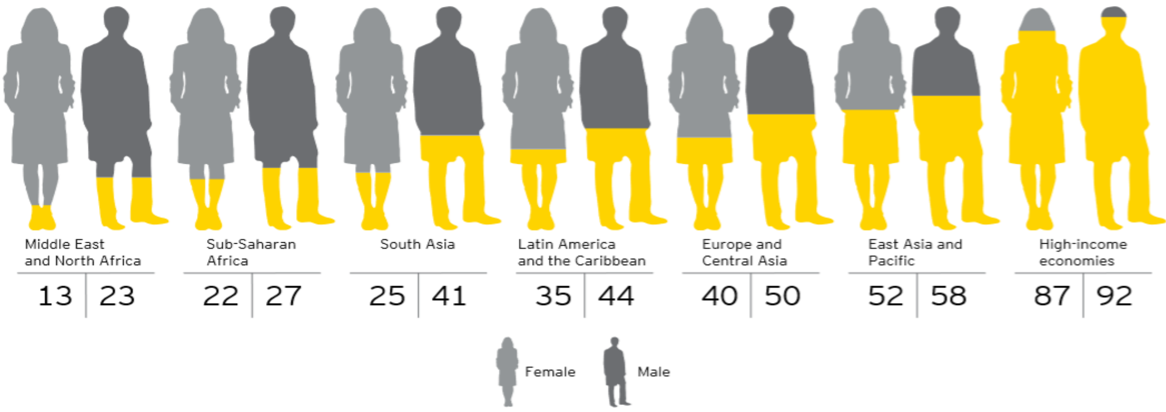
2.9 Why do Most Microfinance Institutions Target women?

Women and modern microfinance interventions are largely entwined. Since the establishment of the Grameen Bank in the 1970s to the current period, microfinance institutions have largely targeted women and therefore women constitute the principal beneficiaries of microfinance. A recent study conducted by D'espallier et al., (2013) suggest that women represent 70 per cent of microfinance customers on average and 47 per cent of

MFIs focus entirely on reaching women. Therefore, the above question on why most MFIs target women are important since MFIs predominantly serve women.

A detailed review of the literature suggests that the rationale for targeting women by MFIs vary. Nonetheless, they could be explored through three broad categories: the first being that microfinance empowers women to overcome gender bias and inequality, the second assumes that women's income contributes more to family welfare, thus, is useful for poverty reduction and thirdly it is argued that women perform better on loan utilisation and repayment which has implications on the efficiency and sustainability of MFIs. The first rationale which suggests that microfinance target women to promote equality and reduce gender bias is one that has been justified by several development players such as USAID, DFID and the World Bank. First, women are targeted because they are more likely to be segregated and excluded from accessing financial services from conventional financial institutions. Much more than men, women in most developing countries face difficulties in accessing and utilising credit for entrepreneurial activities. Porter (2011) contends that women face cultural and religious barriers that often restrict their mobility from home (for example the Islamic Purdah), making it difficult for them to gain access to financial services. Figure 2.5 below shows how formal account penetration varies by gender. The gender gap is largest in South Asia, middle east and north Africa. However, account penetration in general is lowest in Sub-Saharan Africa, middle east and north Africa.

Figure 2. 5 Account penetration by gender: Adults with an account at a formal financial institution



Source: World Bank (2012) and Pomeranz, D. (2014).

In South Asia, women suffer inequalities in terms of access and ownership of productive assets such as land and property (Dahal, 2014; Swain & Wallentin, 2014). As a result, women are likely to be poorer than men and this suggests a strong basis for microfinance to target women clients. A recent UN and World Bank survey of 89 countries indicates that women are poorer than men (World Bank, 2016). According to Ledgerwood (1999), women entrepreneurs have attracted special attention from microfinance institutions because they almost always constitute the poorest segment of society. Women are often disproportionately burdened by traditional household responsibilities of childcare and household chores that limits their ability to engaged in business or exploit opportunities outside of their homes. Therefore, to tackle these issues, microfinance seeks to empower women through direct access to financial services and business training.

As mentioned above, customary laws in most developing countries place women in a subordinate position relative to men, thus it has been argued that the provision of microfinance facilitates the process of women empowerment. Rehman et al., (2015) contends that women's empowerment is important to enable them to rise above the persistent problem of gender discrimination they face worldwide. Kabeer's (1999) definition of empowerment which is adapted for the current study stress that empowerment is a process that leads to increased power to make choices regarding the control of resources, determination of agenda and decision making. In a survey conducted in rural areas of Philippines by Ashraf et al., (2010) discovered that women who participated in microfinance interventions recorded evidence of increased decision-making power within their household and a shift towards female-oriented durable goods purchase in the household. A study in Tanzania which assessed the empowerment effect of microfinance on women participants by Kratzer and Kato (2013) found that women involved in microfinance led to more control over savings and income generated from the business; greater role in decision-making; greater self-efficacy and self-esteem, and greater freedom of mobility and increased activities outside home. In a recent study of women access to microfinance by Fletschner and Kenney (2014), it was found that the activities of microfinance for women led to higher investments in human capital which trickling effect resulted in a positive impact on children's health, nutrition and education. However, it is worthy of note that the use of microfinance as a tool for fostering gender inequality has not been largely successful mainly because microfinance has not successfully dismantled the socio-cultural structures that perpetuated gender discrimination and inequality in many developing countries. Therefore, Chowdhury and Patnaik (2010) argue that there is a need for societal change if women's empowerment programmes are to yield sustainable results.

Regarding the second rationale for targeting women, several studies have found that household welfare tends to increase with an increase in women income than income accrued to men. Ledgerwood (1999) contends that households gain greater benefits from women's income than a similar increase in the income of men. For instance, an early study comparing male and female financial contribution to the household by Phipps & Burton (1998) suggest that an extra dollar of female income is more likely to be spent on childcare than an extra dollar of male income. In a similar study conducted in Ivory Coast which investigated the effect of female income on household expenditure by Hoddinott and Haddad (1995), they found that an increase in women shares of income led to a significant increase in household expenditure on food and reduction in budget share on cigarettes and alcohol. In addition, Kabeer (1999) found that children of women microfinance recipients were more likely to be at school than children of male borrowers of the same intervention. In a more recent study on gender and intra-household dynamics using data from Malawi and Uganda, Njuki et al., (2011) found that regarding household expenditure contribution, women spent 23 per cent of their income on food whilst men's income contribution on food was only 6 per cent. Ganle et al., (2015) explored the effect of microfinance on women participants in NGO-run micro-lending program in Ghana found that women incomes accruing from their loan investment were used to provide better quality and quantity food, pay expenses of their children's education and clothing needs. Blumberg (1998) study which examined income control under female and male in several developing countries conclude that unlike men, women hold back less of their income on themselves but spend more on child nutrition and household basic needs. The study went further to argue that when women lose control of income, what is affected is not only they're relative marital/familial power (and self-esteem) but also family well-being. The above discussion illustrates that many studies have indicated that male and females share of income is spent differently and that in most cases women spend theirs or a larger portion of their income on household welfare as opposed to men, thus implying that women economic empowerment through access to finance for entrepreneurial activities is likely to improve family welfare and reduce poverty.

The third justification for targeting women is founded on the assumption that women are better microfinance customers and their patronage improves the financial sustainability of microfinance institutions. These arguments have been made from several strategic viewpoints as it affects lending to the poor. First, it has been argued that the group lending methodology commonly employed by most microfinance institutions because it provides for joint liability which has been largely effective at reducing the traditional problems encountered when financing the poor (information asymmetry, Moral hazard and adverse selection) is a better fit for females than males. Mayoux, (2001) and Armendariz and Morduch (2005) observe that females are inclined to join groups and cooperative associations either because they are naturally sensitive to collective activities and social pressure. Another popular argument is that women are more risk-averse than men, thus are more likely to accept smalls loans which microfinance institutions can offer (D'espallier, et al., 2013). Women risk averseness and mobility constraints as highlighted above also make them invest credit on low risked businesses with easy entry and exit and high liquidity (Ledgerwood, 1999). These characteristics of women-owned enterprises ensure that they are able to meet the frequent repayment systems (weekly repayments) that are common with microfinance credit contracts. For instance, Armendariz and Morduch (2005) describe how the Grameen Bank originally focused on men, quickly shifted its focus almost entirely (95%) on women because they were significantly better at repayment than men.

Against this background, many empirical studies have found women to be better at repaying loans than men. A randomized survey of 298 microfinance participants consisting of both males and females found that women are inherently more cooperative than men and this resulted in a lower default rate than men (Anthony & Horne, 2003). Agier and Szafarz (2010) used a rich database from a Brazilian microfinance institution to test the evidence of whether women are better at repayments than men. They found that women entrepreneurs receive smaller loans and induce smaller losses for the lender. Providing some numerical distinction comparing women and men repayments rates a study in Malawi by Hulme’s (1991) found that women recorded a 92 per cent repayment rates against that of 83 per cent for men microfinance clients. The above discussion demonstrated that aside from the poverty reduction and gender equality rationale, microfinance institutions also target women for strategic reasons of financial sustainability and efficiency.

2.10 Studies on The Impact of Microfinance on Women’s Economic Empowerment and Entrepreneurial development

Microfinance is highly acknowledged by policymakers, microfinance practitioners and scholars as a developmental tool for financial inclusion, poverty reduction and women empowerment. However, the microfinance literature is polarised such that at one end of the spectrum are studies (Swain & Wallentin, 2017; Ul-Hameed et al., 2018; Al-shami et al., 2018; Okibo & Makanga, 2014; Mahmood, et al., 2014; Goldberg, 2005; Imai, et al., 2012) with positive microfinance outcomes. On the other spectrum are studies (Salia et al., 2017; Bateman, 2013; Attanasio, et al., 2015) with negative outcomes. In the middle are studies (Banerjee & Jackson, 2017; Sinha et al., 2018; Shepherd, 2011) that identify benefits of microfinance to the poor but argue that it does not benefit the poorest as often claimed. The disparity in the findings from these studies ensures that the debate on whether microfinance is an effective tool for poverty reduction and women's empowerment persist. This Section of the study seeks to provide a detailed analysis of microfinance outcomes on women participants.

Microfinance supports the development of essential entrepreneurial skills through providing business training and on the job skills acquisition programs to poor women. Using a randomised control trial to compare outcomes between participants and non-participant in training, Frisancho et al., (2008) found that trained borrowers experience higher loan repayment, improved business knowledge, increase sale and lowered fluctuation of revenue. Rusinà et al., (2015) report that microfinance training helps to raise the financial management skills of borrowers. The study observes that trained borrowers acquired the ability to separate personal from business income, track expenses and revenues and compute profit. These skills are not only relevant for fiscal discipline but also in building records of cash flows and business transaction that is necessary for assessing the health of the business. These records can also be vital when applying for the increased loan needed for business expansion. Gray et al., (2009) stress that financial literacy helps in curbing behaviours that lead to mismanagement and misappropriation of resources that cause business failures and indebtedness.

Microfinance helps to promote women entrepreneurial activities by expanding access to finance and business training. A study of Microfinance effect on Women Micro-Enterprises in Pakistan by Naeem et al., (2015) found positive microfinance outcomes on several key indicators such as the enhancement of average sale revenue and net income, average net working capital, average fixed assets and improvement of credit history for women participants. A similar study of microfinance impact on women-owned business in Kenya by Osa and Rambo (2013) found that microfinance had positive effects on the growth of women-owned businesses: increased sales, net profit, number of paid workers and liabilities. Women participation in microfinance was also linked with improvement is vital entrepreneurial skills. In a study of 289 women microfinance clients in Iran, Asghari et al., (2013) found that women involved in microfinance espoused financial independence, self-confidence, improved decision making power and commercial awareness compared to non-members. Gangadhar and Malyadri (2015) conducted a cross-sectional study of 215 women in India to investigate microfinance impact on women. They conclude that microfinance has a strong positive impact on women increased household economic decision making, legal awareness, mobility and economic security.

In a study of access to finance for microenterprises in Bosnia and Herzegovina, Hartarska & Nadolnyak (2008) indicates that microfinance eases the financial constraints of female microenterprises. Mahmood et al., (2014) observe that access to finance provides women with the start-up or working capital to establish income-generating activities. Morris & Barnes (2005) surveyed three USAID financed MFIs in Uganda to examine the impact of microfinance on borrower's household and enterprises. The study reports strong evidence of a positive impact of microfinance on households in areas such as increased start-ups, income, consumption of durables and increased use of farmlands. They argue that microfinance reduces vulnerability through income diversification and asset accumulation. In Nigeria, Akingunola et al., (2013) found evidence of positive microfinance impact on female entrepreneurship. They report that microfinance increases entrepreneurial activities and productivity that result in sustainable development. However, Nelson (2011) argued that the increase in female entrepreneurial activities resulting from microfinance is sustained through the increased use of child labour. Recent studies by Augsburg et al., (2012), Maldonado & Gonza´ Lez-Vega (2008) and Kiiru (2013) report the similar unintended impact of microfinance on borrower's household. These studies document evidence of increased start-ups and business expansion due to microfinance access, which rippling effect has resulted in increased labour demand and supply of underage household workers. In the entire affected household, evidence of reduced school attendance was significant among children. Child labour is used as a substituted for external labour due to the cost implications of hiring outsiders which may be unbearable for poor entrepreneurs.

Microfinance helps to reduce gender bias and income inequality faced by women in developing countries by empowering women. In a recent study of microfinance impact on women's empowerment in Bangladesh, Kumar et al., (2013) found that women who access microfinance become more independent and are more involved in household decision-making. Vachya & Kamaiah (2015) conceded that such an improved ability to engage in household decision-making has led to the social empowerment of women. Mahmood et al., (2014) examined the impact of microfinance on poverty reduction amongst Pakistani Women. The study found that microfinance reduces poverty amongst women entrepreneurs. Findings from the study show an increase in family income, children education, health and nutrition of women borrowers. Therefore, the authors conclude that microfinance is increasingly successful in developing the entrepreneurial capacities of women entrepreneurs and increasing their household income. Devi (2014) argues that women's status in society is elevated when they are in charge of managing credit and savings. The author stressed that by generating and controlling their own income further empowers women. Similarly, in India, Swain & Wallentin (2009) and Aruna & Jyothirmayi (2011) report a significant increase in empowerment for female microfinance participants. Both studies emphasise that increases empowerment is particularly prevalent when women are in control of credits used for productive ventures. In a survey of 454 women entrepreneurs in Tanzania, Kato and Kratzer (2013) conclude that women members of MFIs have more control over savings and income generated from the business, a greater role in decision-making, greater self-efficacy and self-esteem, and greater freedom of mobility and increased activities outside the home. However, Garikipati (2008) disagrees with the above-mentioned studies, and reports that credit to women borrowers is diverted to cater for household consumption and asset, which does not empower the women. In their study of empowerment and disempowerment of women in Ghana, Ganle et al., (2015) and Banerjee & Jackson, (2017) found that whilst few women felt empowered through access to microfinance, others experience no empowerment because they had little control of loans. They also report that some women faced harassment and were worse of due to their inability to meet up with repayment obligations. Using a comparative study, Chowdhury & Chowdhury (2011) acknowledged that there is a significant result in terms of an increase in individual and household outcome experienced by women borrowers as oppose to non-borrowers. However, they debunk the notion that financial independence is tantamount to women's empowerment because in their view a woman may be self-sufficient but still experience domestic violence by her husband.

Table 2.2 in Appendix C present a review of microfinance studies carried out in different countries using a plethora of methodological approaches. The Table below shows that most of the empirical studies were conducted in Bangladesh due to data availability and being the origin of microfinance evolution, which is an attraction to most scholars (Mahmood et al, 2013).

2.11 Emerging Research Issues

In summary, the reviewed studies (see Table 2.2 in Appendix C) have demonstrated the impact of microfinance on women's empowerment and entrepreneurship in various regions. Evidence from most pre-year 2000 studies of microfinance impact recorded significant positive impact among participants in a wide range of indicators such as poverty, women's empowerment and business growth. Similarly, an increase in women participation in microfinance was recorded resulting in positive outcomes such as an increase in access to credit, social and economic empowerment from using credit for productive ventures. However, studies conducted after 2000 have increasingly provided mixed results and their findings most of which have attracted controversies and debate. Worthy of note is the fact that whilst most studies have reported either a positive or negative microfinance outcome, others have found microfinance to have no effect and, in some studies, microfinance has yielded positive outcomes on certain indicators as well as negative outcomes on other indicators. These tend to suggest that the debate on microfinance impact on women's empowerment and entrepreneurship is inconclusive.

Another salient deduction from the reviewed microfinance studies points to the evidence that most of the studies have concentrated their findings in Bangladesh due to access to data (Adjei, 2008; Mahmood, et al., 2014). Often, the success of The Grameen Bank is a pioneer and one of the largest microfinance institutions in the world have overshadowed the findings of such studies. Unlike Nigeria where the microfinance sector is in its infant stage having been established in 2005, microfinance has been in operation in Bangladesh since the formation of the Grameen Bank in 1983 (Sengupta & Aubuchon, 2008). Having birthed and nurtured the idea of microfinance, the microfinance sector in Bangladesh has learnt from experiences, developed and evolved over time into what we have today. However, this cannot be said of Nigeria with a nascent microfinance sector having less than a decade of experience to draw from. This explains why some microfinance institutions in Nigeria have adopted the non-collateralised credit methodology of the Grameen Bank whilst others have applied the collateralised credit approached practised in Bank of Rakyat Indonesia.

Nonetheless, it is not often the case that what succeeds in one country will necessarily produce a similar result in another country. The literature review suggests that socio-economic, cultural and religious factors directly impact on the people's perception of the intervention as well as indirectly on microlenders perception of the credit applicants. Similarly, the Nigerian government's determination to widen access to credit to poor women is also affected by social and cultural limitations.

The literature review also indicates that there are very few studies on microfinance impact on women in Africa and especially Nigeria compared to Asia and Latin America. The few studies in Africa have been concentrated in East African countries like Uganda, Kenya, Zambia and Zimbabwe, and often adopts the USAID research method by using new applicants as the control group. Microfinance studies in Nigeria are constrained by the lack of availability of comprehensive data on microfinance. Therefore, the few studies have mainly applied a qualitative approach with little or no rigorous multivariable analysis of primary data to substantiate claimed intervention impact on participants. Some studies concentrate predominately on access to finance to the poor and entrepreneurship. Typical of a microfinance sector in its experimental stage, most of the Nigerian studies have adopted a weak framework in assessing the effect of microfinance programs on service users. For example, studies such as Okpara (2010) only used secondary data obtained from microfinance institutions to assess the intervention effect on participants. A recent study conducted by Sussan & Obamuyi (2019) also relied only on information obtained from microfinance staff to investigate microfinance impact on entrepreneurship. Their study was limited to one South-eastern state (Anambra State), used only one method (quantitative method), was not underpinned by any philosophy and did not consider the views of microfinance services users. Ukanwa et al., (2018) in their study of the effects of microfinance on poor women in Nigeria also employed a mono-method (qualitative method) approach. A review of their study shows that the methodology lacked robustness as there was no evidence of clear rationale for the choice of the method used, the sample size was too small (15 respondents) as well as lacking in appropriate theory underpinning data collection and research design.

Based on the above discussion, there is enough evidence, which suggests that although there are several studies on microfinance impact on women empowerment, the studies have been concentrated in South Asia and Latin America. More importantly, the results are mixed and the debate on microfinance impact on women's empowerment is inconclusive. The few studies conducted in Nigeria did not adopt a rigour ous and robust framework for assessing program effectiveness. Therefore, this study aims to contribute to the body of knowledge by filling this gap in the literature using the multivariate framework to analyze empirical data to substantiate intervention effect and identify policy implications of microfinance interventions in Nigeria. As explored in chapter four of the theses, the study adopts a mixed method approach (quantitative and qualitative methods) in analyzing the data. This is intended to assist the researcher to gain further insights into microfinance impact on women participants in Nigeria which may be difficult to achieve with any single method.

2.12 Conclusion

This chapter critically reviewed the literature on microfinance and its impact on women's empowerment and entrepreneurial development in order to provide the theoretical basis for investigating the research problem of ascertaining if and how microfinance impacts on women in Nigeria. The chapter started by exploring the evolution of microfinance and its emergence alongside both formal and informal financial systems. It was found that ideological change in development strategy and the focus on service user needs greatly influenced microfinance evolution. The social, cultural and institutional barriers to access to finance for the poor was identified as well as innovations employed by microfinance to overcome these barriers. Accordingly, microfinance innovative products and services, especially its lending methodology was found to be responsible for its wide acceptance and rapid growth. Although the debate concerning whether microfinance is effective championing women agenda is highly contested, microfinance is growing in popularity and still attracting global attention.

The poverty literature was also reviewed by analyzing the concept of poverty, the categorization and constraints faced by the poor and poverty measurement approaches. This provided the foundation for understanding both the financial and non-financial constraints that make it difficult for the poor to exit poverty. This is particularly relevant to this research given that its focus is in a developing country with a high prevalence of poverty. Also, because poverty is a multidimensional concept that includes disempowerment, deprivation and gender inequality. The chapter highlights the link between the poor and microfinance and how they benefit from microfinance products and services. Although some studies argue that microfinance does not reach and benefit the extremely poor, the general assumption from the literature remains that the poor are the largest clientele of microfinance institutions.

Certain observations can be made from the literature review. First, most studies in Nigeria and other developing countries have analyzed the impact of microfinance on beneficiaries from the perspective of the microfinance institutions whilst the views of the service users have not received much attention. These studies are limited by focusing on one angle of the debate, thus there is a need for a study that captures the perspective of the service users. Secondly, most studies have focused on assessing microfinance impact in the rural areas (villages) due to the perceived high prevalence of poverty in rural communities. However, in developing countries like Nigeria, the incidence of poverty is prevalent both in urban centres (big cities) and rural villages (Tacoli, et al., 2015; Essien, et al., 2012). Therefore, the focus on rural areas alone restricts the overall view of poor women in developing countries. More importantly, it implies that very little is known about microfinance activities in urban centres. This is a major gap in the literature which deserves attention to offset the skewed data in favour of rural communities. In general, the literature review suggests that there is a dearth of knowledge on microfinance activities in urban centres from the perspective of service users and the contextual environment in which they operate.

Although the findings from the reviewed microfinance studies are not totally transferable to the Nigerian context, they provided the researcher with an appreciable understanding of microfinance and other relevant literature which assisted the researcher to construct the conceptual framework of the study (see details in the next Chapter). With regards to research methodology, although survey methods have been widely used by the previous study, this study will adopt a pragmatic approach to identifying the most appropriate data collection method to answer the research questions.

CHAPTER THREE

CONCEPTUAL FRAMEWORK

3.0 Introduction

Chapter two reviewed and scoped the literature of microfinance to understand the structure and role of microfinance in developing countries and its impact on women's entrepreneurship and empowerment. This chapter focuses on identifying the underpinning theories for the research and to develop the conceptual framework that will inform the study at large and the research questions. The chapter firstly presents an overview of the concept of impact assessments and some theoretical approaches that underpin microfinance impact assessments. The approach used in this study is consistent with relevant studies (Gai, & Sir, 2018; Copestake, 2014; Espinosa, 2012; Yeboah, 2010). Having reviewed the literature, the Sustainable Livelihood Approach (SLA) theory was identified as the most appropriate theory to underpin this study given that it is concerned with the livelihoods of intervention beneficiaries. In ascertaining this, an overview of the SLA model was presented with each livelihood resources explained. This was followed by a detailed examination of the various criticisms of the SLA framework. The final Section of this chapter detailed the formulation of research questions and hypotheses and a description of the conceptual framework.

3.1 The Role of Impact Assessment in Microfinance Intervention

An understanding of the concept and application of Impact assessment (IA) techniques are important to the researcher mainly because the current study focuses on assessing the impact of a microfinance intervention on beneficiaries. Impact assessment studies have become increasingly popular in analysing the impact of microfinance on various outcome parameters (access to finance for the poor, poverty reduction, women empowerment. Often the question of outcome arises once poor and financially excluded individuals have been giving access to financial services (Stewart, et al., 2010). According to Hulme (1997), the growing interest in IA is due to concerns about program effect on poverty alleviation, enterprise development and macroeconomic growth since claimed benefits seems to have surpassed available evidence. The findings from IA studies are of interest to four major microfinance stakeholders: microfinance institutions (MFIs), donors, regulators and service users. Karlan and Goldberg (2007) argue that by considering the impact on clients, MFIs could identify their needs which feeds into the design of better products and services. Essentially, both commercial and non-profit MF providers could take advantage of IA studies to improve the well-being of borrowers. By improving borrower's wellbeing, the potential for the client's loyalty and retention is likely to increase which further indicates the acceptability of the service and service provided (Jose & Buchanan, 2013).

However, if microfinance practitioners do not make efforts to determine those being reached by its services and how these services affect their lives, the task for justifying microfinance as a tool for poverty reduction and women's empowerment becomes elusive (Ledgerwood, 1999). Hulme (2000) and Jonkers et al., (2018) contends that IA is important to NGOs especially in the face of rising demands of accountability from donors and for contesting the antagonism of anti-aid campaigners. IA allows practitioners and policymakers to compare the cost and benefit of improving the wellbeing of microfinance participants to the cost and benefit of attaining similar outcome through other interventions. Donors and other development partners could use the findings of IA to account for and justify the allocation of resources to microfinance activities for women's empowerment (Sebstad, et al., 1995). This view is supported by the World Bank's policy on financial intermediary lending which stresses that subsidy on poverty alleviation and the reduction of gender inequality interventions may be deemed appropriate if they are economically justifiable or represent the most cost-effective way of achieving outcomes (World Bank, (2017). This provides some rationale behind observations by studies (Hulme, 2000) which argued that many impact assessment studies have been skewed to justify donor funding rather than on learning and improvement of service user outcomes. However, Karlan and Goldberg (2007) contend that IA provides vital information to practitioners and policymakers about products and services that have produced a greater outcome for clients. Evaluating why successful interventions have had the impact they do could help policymakers align domestic MFIs to adopt best practice. In addition, different MFIs performance can be benchmarked through impact assessments. By so doing, policymakers and academics can use IA to influence policy directions and budgetary decisions for the benefit of microfinance practitioners and service users (Ledgerwood, 1999). However, conflict of interest does exit especially between the donors who are more concerned with sustainability and outreach to the poor and practitioners who may want to focus on improving service user experience (Makina & Malobola, 2004).

In summary of the above analysis, Hulme (2000) argued that the goal of impact assessment studies is to prove the impact and improve the intervention of microfinance programs. However, not every impact assessment study incorporates both paradigms. A review of the literature shows that most studies have focused on the proving impacts compared to studies that have paid attention to improving impacts or both. For instance, a common question posed in the literature: Is there evidence that microfinance impacts poverty? If so, what does it say? (Goldberg, 2005). Copestake et al., (2002) argue that studies involved in proving impacts often use positivist or quantitative methods, whilst the few studies involved in improving impacts often use qualitative methods that involve the high participation of the service users. The distinction between both approaches is that whilst the quantitative approaches apply a scientific data collection and analysis methodology with an emphasis on rigour, the qualitative approach applies a participatory and interpretive method often aligned to the tenets of credibility. This dichotomy creates a trade-off since the quantitative “top-bottom” approach often neglects the contextual traditional and cultural perspectives and environments of participants. On the other hand, the qualitative “bottom-up” approach often fails to provide information about relevant facts about the participant’s living standards. Another limitation of impact proving studies is the likeliness of opposing factions of the microfinance debate to use findings that support their inclination to maintain their stance. The problem with this practice is that knowledge is limited to what happened and not extended to why and how it happened. Microfinance practitioners and policymakers could learn more from understanding what worked and what did not work to inform future product and policy adjustments. Hulme (2000) argue that emphasis on proving impact stifles the process-oriented ideology that is essential for learning and improvement of programs. Based on the aforementioned, there is growing support for a more robust impact assessment methodology that incorporates both the qualitative and quantitative data to enhance rigour, credibility and validity (El-Zoghbi & Gähwiler, 2013). Therefore, it can be argued that by providing evidence of impact and suggesting areas for improvement of service delivery, studies could become more useful to all microfinance stakeholders (Ledgerwood, et al., 2013). The intended beneficiary approach is appropriate for this study since our focus is on the beneficiaries (service users) of microfinance intervention. This approach will be vigorously pursued in this study with more details explored in the next chapter (Methodology Chapter).

3.1.1 Approaches to Microfinance Impact Assessment

Before designing a conceptual framework for any particular microfinance impact study, there is a need to first identify a relevant and suitable approach for the intended purpose of the study. Indeed, a study may align to either of two schools of thought concerning microfinance impact assessment. Hulme (2000) identify these schools of thought as the Intermediary school and intended beneficiary school. With its origin traceable to the Ohio State University School analyses of rural finance, Mohamed, & Al-Shaigi, (2017) and Hulme (2000) suggest that the intermediary school focuses on the supply side, which is the beginning of the impact chain. On the other hand, the intended beneficiary school goes further down the impact chain to consider the demand side of the microfinance intervention. The following Sections will examine both schools in detail.

Makina and Malobola (2004) pointed out that the intermediary school seeks to address issues related to the health and spread of microfinance institutions. Thus, this approach assesses both the financial and organizational sustainability of lenders and evaluates the intervention impact in terms of its outreach to the borrowers. Therefore, the main two variables for establishing impact is the sustainability and outreach of microfinance institutions. If both sustainability and outreach are enhanced, then the program is perceived to be beneficial since it has led to financial market expansion (Kessy, 2012). This assumption is based on the premise that an expanded financial market provides multiple financing options for people who want to borrow or save, thus, this widened financial access would lead to improved microenterprises performance and household well-being. While this assumption may be theoretically supported, the empirical application is complex and contested. The main reason being the tradeoff between achieving sustainability and outreach. Armendariz and Szafarz (2011) and Beisland et al., (2017) referred to this trade-off as the “mission drift”, implying the compromising situation faced by microfinance in the quest of achieving sustainability, which often leads to a negative outcome for participants. The literature documents this debate between the advocates of the welfarist approach and campaigners for the institution's approach.

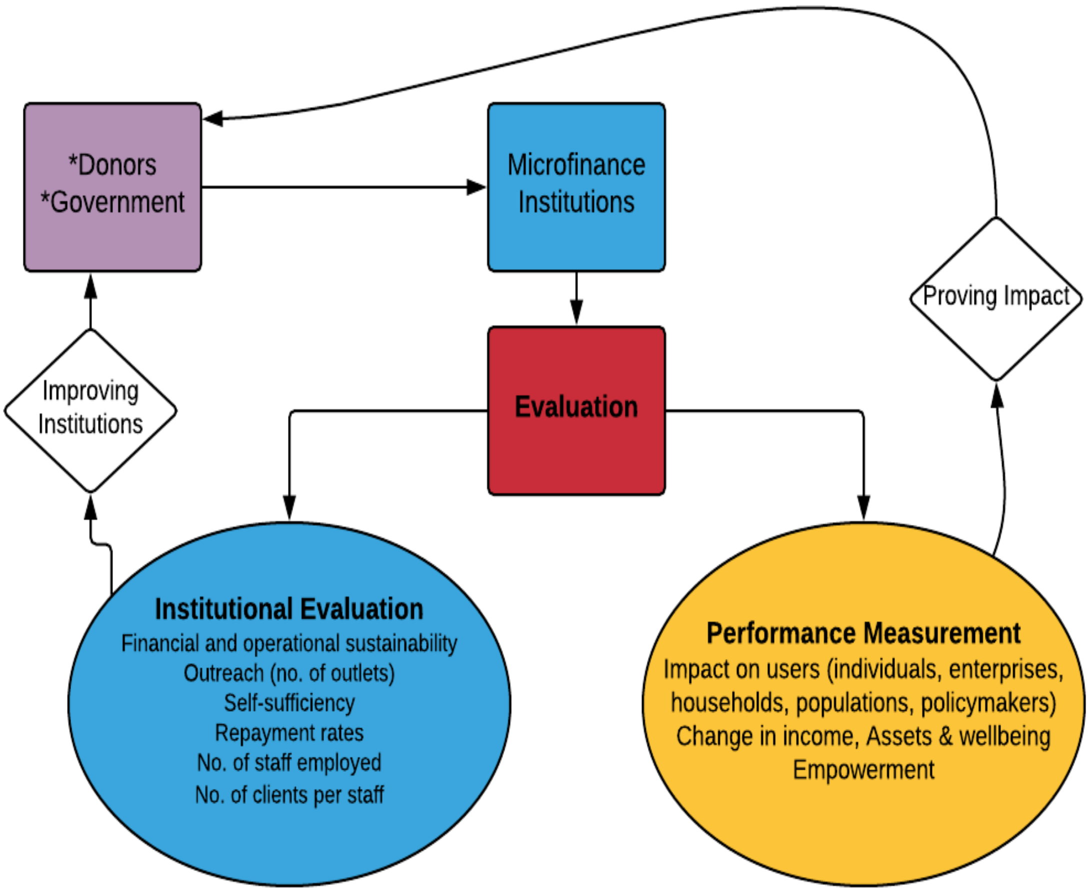
Although few studies have rigorously tested the tradeoff issue (Hermes, et al., 2008), most of the studies confirm the existence of this tradeoff between sustainability and outreach (Nurmakhanova et al., 2015; Wry et al., 2018; Abdulai, & Tewari, 2017). More damning is the findings of Cull et al., (2007) which suggest that microfinance institutions who pursue the sustainability objective are more drawn to carter only for wealthy clients, thus, excluding poor applicants who are desperately in need of financial resources. This suggests that MFI sustainability and outreach are two parallels that are difficult to merge. This brings to light the complexities that may be faced by studies seeking to apply the proposed approach of the intermediary school in IA. The underlying assumption of the intermediary school is likely to be flawed by these complexities and more importantly, the fact that it does not provide details of the service user's experiences. In line with this view, Wiig (1997) contends that intermediary school approach does do disclose participants cross-financing which may adversely impact on the sustainability of the MFIs. Although Kessy (2012) agrees with the assumption that observes intervention is positive when MFI are financially sustainable and have widened outreach, the issue of attributing causality based on limited knowledge of the borrowers and they change that have taken place further weakens the validity of such IA studies. At best the intermediary school may be successful at measuring institutional indicators like a number of borrowers reached, repayment rates and amount of credit provided, it is unable to assess the improvements in the living conditions of borrowers (Chowdhury & Mukhopadhaya, 2012).

On the other hand, the intended beneficiary school focuses on the participants of interventions and how they are affected by the intervention. This school argues that the impact of funded interventions needs to be assessed and causality attributed directly to participants to justify the effect of interventions (Makina & Malobola, 2004). One way to establish this has been to evaluate changes in the economic and social status of microfinance borrowers attributable to their participation in the intervention (Hossain, 2012). Variables like income, employment and assets are commonly used to evaluate the economic profile of participants while education, health, nutrition, women's empowerment etc are key variables for assessing the social impact of microfinance interventions (Ghalib, et al., 2015; Samer, et al., 2015; Awan & Joiya, 2015). According to Kessy (2012), a positive impact will be claimed if the intervention demonstrates that the lives of participants have changed positively. Thus, the IA philosophy of the intended beneficiary school stresses that intervention impact is observed when there are changes in the behaviour and practices of service users that lead to the achievement of the desired outcome. For instance, MFIs with the objective of women's enterprise development may attribute impact when there is evidence of changes in the business growth of its service user's enterprises caused by their participation in the program.

Hulme (2000) contends that an important feature of the intended beneficiary approach is its ability to distinguish between “who benefits and how” and thus enable the assessor to gain insight of the impact of the intervention on borrowers. The intended beneficiary approach perceives microfinance services as those that can improve the livelihoods of the poor through a combination of increased income and social capital, reduce vulnerability and debt relations (Kessy, 2012). It evaluates the extent to which service users have benefited from interventions by considering observed changes in their lives, enterprise growth/expansion and overall change in their economic and social condition (see Figure 3.1 for details). Therefore, by assessing participants, IA studies can provide useful information about their profiles, challenges, perspective and also the services and products that provided the highest outcome. Such information does not only help in establishing causality but also serves as useful feedback to MFIs for service improvements. However, a major limitation of this school is that it is methodologically demanding and expensive to conduct an IA (Hulme, 2000). The cumbersomeness of this approach arises because the social benefits of MFIs include the benefits gained by clients and those of the entire society (Mustafa & Saat, 2012). In line with this view, Garikipati, (2017) and Shcreiner (2002) argued that one of the complications in assessing social impacts stems from the difficulty in measuring borrower’s expectations and the challenge of knowing what would have happened in the absence of intervention. In addition, the intended beneficiary school is criticized for focusing on the impacts of formal institutions on client’s wellbeing without considering whether existing informal financial markets are not undermined especially in view of the evidence of exploitative tendencies of some MFIs (Makina & Malobola, 2004).

Having analyzed the strengths, weaknesses and usefulness of each of the two schools above, Kessy (2012) stressed that the choice of an approach is dependent on its alignment to the objectives of the study in which it will be considered. Considering that the current study seeks to examine the impact of microfinance on women entrepreneurial development and empowerment in Nigeria from the perspectives of service users, the intended beneficiary approach is considered appropriate for this study. This is because the approach will be useful in providing insight into borrower’s behaviour, practice and perspective, which will assist the author in establishing how microfinance directly affects participants. In addition, this approach will help the author examine the contextual issues related to providing microfinance services in Nigeria. Understanding the contextual environment in which MF interventions are implemented is vital to understanding the effect of the intervention on women (Howard et al., 2017; Stewart, et al., 2010). Figure 3.1 below demonstrates the emphasis of each of both IA approaches discussed above.

Figure 3. 1 Differing Views of Microfinance Impact Assessment



Sourced: Reconstructed by Author (2018) from Kessy (2012)

3.2 Conceptualization of Microfinance Impact on Women Entrepreneurial Development and Empowerment

The conceptualization of microfinance is largely based on the assumption that poverty reduction and women's empowerment can be achieved through widened access to finance especially for the excluded poor including women (Iftikhar et al., 2018; Chowdhury, 2017; Ledgerwood, et al., 2013; McIntosh, et al., 2011). This idea is predicated on the premise that the entrepreneurial opportunities of poor women are constrained by lack of capital, thus the easing of financial constraint allows poor women to invest, increase output, income and also their wellbeing (De Mel, et al., 2008). More importantly, increased economic power for women enables them to reduce dependency on men and encouraged them to effectively negotiate social relationships that promote their empowerment (Claeys, 2017).

However, the debate about how microfinance impact should be assessed is ongoing in the literature. Measuring the impact of microfinance on intended outcomes was not common until very recently and where the impact has been measured it has been donor driven (Makina & Malobola, 2004). Pitt and Khandker (1996) observe that most comparative studies argue that the mere fact that credits are issued, and repayments are made, demonstrates proof that the income of the poor women has increased and that they are being empowered. Duvendack, et al., (2011) pointed out that this supposition has further been propelled by studies on the psychology of credit for the poor, which propagate the notion of the unlikeliness of credit to cause harm on borrowers. Proponents of this view contend that if credit adversely affects borrowers, they would have initially avoided borrowing (Rosenberg, 2010). Empirical evidence has countered this simplistic view of impact assessment by suggesting that credit could make borrowers worse off (Hulme & Maitrot, 2014) and also that repayments cannot be a positive outcome if they emanate from the proceeds of the sale of vital assets which may further threaten the livelihood of the poor (Cohen & Sebstad, 1999). Microcredit has also been reported to produce certain unintended outcomes like the worsened cardiovascular status of borrowers (Gordon–Strachan, et al., 2015).

Johnson and Rogaly (1997) argue that the debate about credit and empowerment has been moulded by changing conceptualization of the nature of poverty and the profile of the poor. According to the authors, the earlier definition of poverty suggested that poverty was a lack of income. Therefore, poverty reduction could be achieved by raising income. This view birthed the traditional measure of microfinance impact that aims to attributes impact by analyzing the changes in the income level of poor individuals. However, the authors pointed out that this approach has a few methodological problems such as establishing loan usage in view of fungibility, attributing causality as other changes occur during the intervention and measuring the extent to which change is caused by the intervention. Advocating for a broader scope that is not constrained by the earlier mentioned limitations, Zohir and Matin (2004) suggested that impact should be measured from economic, social, cultural and political context at the individual, household and enterprise level. Similarly, Kabeer (2003) argue that for MFIs to understand the changes caused by interventions, it is important to consider social factors that relate to the human capital of the borrowers such as education, health and nutrition.

Another complication in the conceptualization of microfinance impact arises from the debate about the assessment unit for measuring microfinance impact. Microfinance has commonly been assessed through the household, enterprise and the institutional level (Hulme, 2000). Although rarely used, studies like Peace and Hulme (1994) and Goetz and Sen Gupta (1996) have attempted to assess microfinance at the individual level. This approach was developed and made popular by Chen (1997). Evaluating microfinance impact at the enterprises level have also captured the attention of academics. Gertler et al. (2009) argue that assessing microfinance impact at the individual or enterprise level alone are bound to be flawed since the utilization of credit by the poor cannot be separated from household decisions. It is assumed that women microenterprises are entwined in a “dynamic household economy” in which resource allocation decisions are made to respond to certain internal and external factors, thus isolating the household will be counterproductive (Sebstad, et al., 1995). In addition, most women microenterprises are co-produced by members of the household, thus, the cost of credit and its potential benefits will significantly affect intra-household relationship such as power control, income and gender division of labour (Duvendack, et al., 2011). Therefore, microfinance impact assessment must exceed the individual and enterprise level to accommodate drivers of production, investment and consumption decisions within the household (Sebstad, et al., 1995). The authors suggested that focus should be placed on the household unit of assessment where these decisions are made. However, considering the limitations of applying any one unit of assessment outline by Hulme, (2000), there is growing support for applying multiple units of assessments (Chowdhury, 2014). Most recent studies have attempted to assess impact by analyzing the household and the individual level together (Duong & Nghiem, 2014; Cintina & Love, 2014; Boateng, et al., 2015). Only a few studies have considered assessing the impact on more than two units, such as Banerjee et al. (2013) who looked at microenterprise, individual and household and Khandker and Samad (2014) who considered the institutional, community, and household levels.

From the above analysis, it can be deduced that microfinance impact assessment has gradually gravitated towards a holistic approach that attempts to incorporate multiple aspects of the intervention. Stewart et al. (2010) argue that the shift towards a holistic impact assessment approach is due to the changing perception of poverty, gender inequality and empowerment, which has snowballed from the idea of a poor male farmer who lacked income, to that of a female micro-entrepreneur seeking empowerment. More recently, poor women have been conceptualised as a diverse group of vulnerable people with multiple livelihood needs (Matin, et al., 2002; Schütte, 2006; DFID, 1999). From this standpoint, microfinance is seen as a vital instrument for achieving household pressing needs (i.e. tuition fees, health care), reducing vulnerability (i.e. unexpected drop in asset, consumption or income) and increasing women's empowerment (less dependency on men, ability to take decisions independently). This study is informed by this broadened view of poverty and women empowerment, which leads to the argument that microfinance intervention could contribute to women entrepreneurial development and empowerment in Nigeria by providing resources to women to help them invest in new or expand existing enterprises, raise income levels and cope with gender biases, vulnerability and risk. However, as earlier highlighted in chapter 2, a multidimensional framework has been recommended for assessing microfinance impact on women entrepreneurial development and empowerment (Asadullah & Chaudhury, 2012). This study is saddled with the task of identifying appropriate analytical approaches that will guide the study in answering the research questions (see Section 3.5). The Sustainable Livelihood Approach (SLA) have been identified as appropriate for addressing the research questions.

3.3 Sustainable Livelihood Approach (SLA): A Service User's Perspective

According to Krantz (2001), the idea of sustainable livelihood first came into prominence as a developmental tool by the Brundtland Commission on Environment and Development, and in 1992 the concept was expanded to advocate for the attainment of sustainable livelihood in line with the goal of poverty reduction. Chambers and Conway (1991:6) suggest that livelihood consists of capabilities, assets (stores, resources, claims and access) and activities required for a means of living. Scoones (1998:5) argue that livelihood is sustainable when it can cope with and recover from stresses and shocks maintain or enhance its capabilities and assets, while not undermining the natural resource base. It also includes both tangible and intangible assets required to reduce risk and meet emergencies. In a broader sense, Tilahun (2014) describes livelihood as a people's way of life that includes their access to assists, livelihood outcomes and strategies used by individuals and household for making a living. On the other hand, sustainability is defined in multiple ways. Ordinary, sustainability means the continuous ability to remain self-reliance and perpetuate without causing any harm. However, in the context of social research and development, sustainability is concerned with the ability of an individual or household not only to gain but also to maintain an adequate and decent livelihood (Chambers & Conway, 1991). It is worthy of note that this study is not concerned with the concept of sustainability from the environmental perspective. This study views sustainability as the ability to improve and maintain livelihoods.

In analysing the concept of sustainable livelihood, Scoones (1998) argue that five key indicators are considered: 1) poverty reduction; 2) well-being and capabilities; 3) livelihood adaptation; 4) vulnerability and resilience and 5) natural resource base sustainability. This broadened view of the SLA recognizes that resources are not only important for productive investments (generating income) and for smoothening consumption but also for sustaining the livelihood and power structure on which the poor women depend. According to Bebbington (1999), this holistic standpoint ensures that poverty and well-being are linked to livelihood strategies and choices. By so doing, poverty is tackled holistically, and this place the poor and their needs at the centre of interventions (Chowdhury, 2014). The principle of SLA is a paradigm shift from outputs to people and a consideration of the priorities of individuals and families. Realizing the importance of a holistic approach to IA, Krantz (2001) argues that an effective women's empowerment intervention must be people-centred, participatory, multi-level, sustainable and dynamic. The author pointed out that this approach is increasingly been used by international development agencies such as the Department for International Development (DFID) to implement poverty reduction interventions.

The SLA can be analyzed in three varied ways: as a set of values that guides the philosophy of social research, as a developmental objective and also as an analytical framework (Farrington, 2001). This study will employ the SLA as an analytical tool and will use its framework to shape the scope of this study. Also, the current study will embrace the philosophical ideas of the SLA and rely on the SLA as a guide to answer the research questions. Concerning analysis, the SLA provides the opportunity to evaluate the complexities of livelihood strategies, trends and constraints faced by poor women. This enables assessors to gain insight into the outcomes of microfinance intervention that target women (Carney, 1998). The next Section will discuss the philosophical underpinning that guides this study.

This study is underpinned by three core assumptions of the SLA as proposed by Krantz (2001). According to the author, the first is the understanding that economic growth does not automatically translate to women's empowerment since the latter depends on the capabilities of the women to usurp economic opportunities. Secondly, the realization that disempowerment from the perspective of poor women does not only imply low income but also includes aspects such as bad health, illiteracy, vulnerability, powerlessness, and lack of social capital. Thirdly, a recognition that poor individual and households have a better understanding of their priorities and situation; thus, should be involved in the design of interventions to improve their wellbeing. Although this approach is based on shaping thinking about the livelihood of the poor and vulnerable and the significance of development policies and institutions to women's empowerment (Chowdhury, 2014), the SLA is more concerned with people, assets and activities rather than institutions and their performance (Chambers & Conway, 1991). Therefore, the SLA encourages researchers to assess the extent to which poor women and their households are impacted by microfinance intervention. Scoones and Wolmer (2003) argued that the SLA supports the analyzing of the livelihood of the poor as a basis for assessing microfinance interventions.

Ellis (2000) pointed out that the SLA framework is considered a useful guide in shaping microfinance policies targeted at women's empowerment in developing countries because that the SLA considers the assets of poor individuals and households as fundamental to understanding their available options, survival strategies and vulnerability to adverse events. In general, the approach is based on the premise that poor individuals or household require a range of assets/capital to achieve positive livelihood outcome but this is dependent on a mix or variety of assets to enable the poor gain and maintain the varied livelihood outcomes that the poor seek (Serrat, 2017; Quandt, 2018; Scoones, 1998). This is particularly true given the fact that women access to economic assets is very limited in Nigeria. Based on the limited availability of assets, women often ensure their survival by adapting through nurturing and combining the few assets at their disposal (Jha & Mishra, 2009).

Although the SLA proposes a holistic approach to microfinance impact assessment, Chowdhury, (2014) argues that researchers should modify the framework to focus on identifying the specific assets needs of the sample group. Similarly, Serrat (2008) pointed out that even though the SLA is a way of analyzing complex issues that surround poverty, empowerment and gender inequality, its framework needs customization to suit contextual situations and priorities. Providing another reason for pruning the SLA framework, Hulme (2000) suggested that researchers should use a manageable number of variables to be measured to mitigate the temptation of applying a comprehensive approach that may adversely impact on the data quality and study relevance. Against this background, this study will address this research problem by modifying the SLA framework to suit the Nigerian context and limit variable to numbers that are manageable in view of the time and resource constraints to complete the study. The sustainable livelihood approach has been adapted and customized by some NGOs like CARE, Oxfam, UNDP and ActionAid for their development interventions (Batterbury, 2008; Krantz, 2001).

An understanding of the livelihood resources required to attain and maintain women livelihoods will lay the foundation for establishing indicators of intervention outcomes. The sustainable livelihood framework recognizes five types of “capitals” which explores the assets that individuals (women) and household utilizes to in securing their livelihoods. These five capitals are discussed next.

3.3.1 Natural Capital

According to Schütte, (2006) natural capital refers to endowments of natural resources and institutional arrangements controlling access to common property resources. Although this description of natural capital/assets is narrow, it brings to light the legal and economic frameworks for acquiring and holding property which may be complex and too expensive for poor women. A broader perspective of natural capital suggests that it consist of natural resource stocks (soil, water, air, genetic resources, etc.) and environmental services (hydrological cycle, pollution sinks, etc.) from which resource flows and services useful for livelihoods are derived (Scoones, 1998). Specifically, natural capital includes land, water, mineral and vegetation utilized by women to generate means of livelihood. Ahmed (2009) applied the sustainable livelihood framework in his study of fish farming in rural Bangladesh, the study found that farmers relied on rainfall, groundwater and sometimes canal water for fish farming. Because natural capital is both renewable and non-renewable, they are increased or depleted when utilized by humans. Schutte (2006) argue that natural capital is often thought of as less influential in the urban context; however, they have a significant effect on the livelihood of the urban and rural poor women.

3.3.2 Economic or Financial Capital

The economic or financial capital consists of cash and other economic assets such as the basic infrastructure, technologies and productive equipment's necessary for the attainment of livelihoods. Quandt et al., (2018) and Adjie (2008) pointed out that financial capital consists of stocks of money in the form of savings and access to credit in the form of loans and access to a bank account. Both authors argue that neither loans nor savings are directly productive forms of capital; they add to the asset portfolio of the household and rely on the household priorities to either employ them in productive ventures or for consumption. In the context of microfinance, financial capital also includes the regular flow of income from labour, enterprise, pension and remittance. Schutte (2006) observe that financial capital is indispensable for the sustainable livelihoods of the urban poor who are faced by expensive commoditization culture that is common in most urban centres. Therefore, the ability of households to accumulate cash and maintain savings is critical to their management of emergencies and economic shocks. Roth et al., (2010) argue that due to limited economic resources, poor women and their families are often without anything to fall back on in events of adverse emergencies and shocks. In this context, microfinance provides credit to assist poor women to meet needs such as paying for children education or acquiring business assets for the purpose of enhancing income generating opportunities (Ellis, 1999; Chowdhury, 2009). In the absence or limited access to financial markets, poor women hold socks in other forms. For instance, in Sub-Saharan Africa (SSA) including Nigeria, an informal saving mechanism such as saving under pillows, investing in livestock's or precious materials like gold and saving with associations like ROSCA are used to store wealth against adverse events (Christen & Mas, 2009).

3.3.3 Human Capital

Leisz et al., (2018) and Ferrington et al. (2001) argue that human capital consists of the skills, knowledge, physical capability and ability to work which are essential for the attainment of sustainable livelihoods. It involves investment in education, healthcare and nutrition and a safe environment which impacts on people's ability to engage in productive activities and employment. Carney (1998) considers human capital as the quality and quantity of labour supply available for the household in terms of power, literacy, skills and health. Its accumulation can not only be a means to an end but an end in itself. Tilahun (2014) argues that poor communication skills, lack of confidence, powerlessness and illiteracy are considered as core dimensions of poverty, thus overcoming these conditions will contribute to improvements in the livelihoods of poor women. More importantly, human capital is considered the most important of other assets as it is required to utilize the other four type of capitals/assets. It is, therefore, necessary, though not on its own enough, for the achievement of positive livelihood outcomes, (DFID, 1999). Ellis (2000) suggest that human capital can be enhanced by investing in education, business training and on the job skills acquisition.

3.3.4 Physical Capital

Physical capital comprises of both productive assets and household assets. Productive assets include access to business assets, services and basic infrastructure such as shelter, water supply, sanitation, waste disposal, energy supply and transport, as well as tools and production equipment required for income-generating activities or enhancement of labour productivity (Schütte, 2006). On the other hand, household assets refer to equipment such as furniture, kitchen utensils, clothing, shelter and other marketable items of value like jewellery artefacts. Schütte, (2006) contend that housing is the essential physical assets to households residing in urban centres as it can be rented for income purpose and also to ease financial pressures. Ahmed (2009) adds that transport, road, market, electricity, water supply, sanitary and health facilities to the mix of physical capital. In his study, the author finds that lack of business assets and poor electricity had a negative effect on women's enterprise growth (see Section 5.8.1).

3.3.5 Social Capital

Social capital refers to social resources drawn upon by individuals in furthering their livelihood objectives. Stirrat (2004) suggest that social capital comprises networks, cultural norms and other social attributes that support experience and knowledge sharing and cooperation among individuals in the community. These are developed through either vertical (patron/client) or horizontal (between individuals with shared interests) networks and connections, that increase people's trust and ability to work together (Adjei, 2008). Tewodaj

(2006) observe that in most rural settings, the social network helps in reducing the risk of poor yield by sharing experiences and information about best practices, timing and quality seed amongst members of same community or village. Regarding limited access to finance, Rankin (2002) points out that social networks can help reduce information asymmetry since members are part of a formalised association like ROSCA which can provide a history of participation and transaction.

3.4 Critique of the sustainable livelihood framework

The sustainable livelihood approach (SLA) suggest a different approach to the implementation of developmental programs by emphasizing a people-centred approach (Scoones, 1998). The SLA framework assumes that in strategizing their livelihoods outcomes, the poor thinks and acts in rational ways by carefully selecting amongst a range of locally available options. Therefore, the SLA framework argues that development initiatives should place the poor at the centre of their own development. Toner (2003) argue that this view of the poor in misleading as the poor do not always make rational choices in strategizing their livelihoods. The author also criticizes the SLA framework for stressing that interventions aimed at poverty reduction should focus on livelihoods which tends to imply that only the poor have livelihoods which they attempt to sustain throughout their life whilst the non-poor have lifestyles which changes over the course of their life.

The SLA framework has also been criticized for having too many components that make an in-depth analysis of them difficult, thus making the framework too broad and superficial to aid the design and analysis of outcomes (Clark & Carney, 2008). The authors also argued that since the implementation stages of interventions often require a focus on specific areas, the ambiguity created by too many components in the SLA framework can impede the quality implementation outcome. In addition, they stress that the SLA framework does not provide a clear guideline on how it should be applied. However, proponents of the SLA framework (Krantz, 2001; Scoones & Wolmer, 2003) have contended that the framework provides a holistic perspective of poverty which identifies all the factors that should be considered in any development program and how other components are critical when analyzing these poverty factors. Advocates of the SLA argue that the framework is an analytical toolbox that analyst and scholars can draw from to examine the complex livelihood challenges faced by the poor, the resources and combination of resources needed to exit poverty.

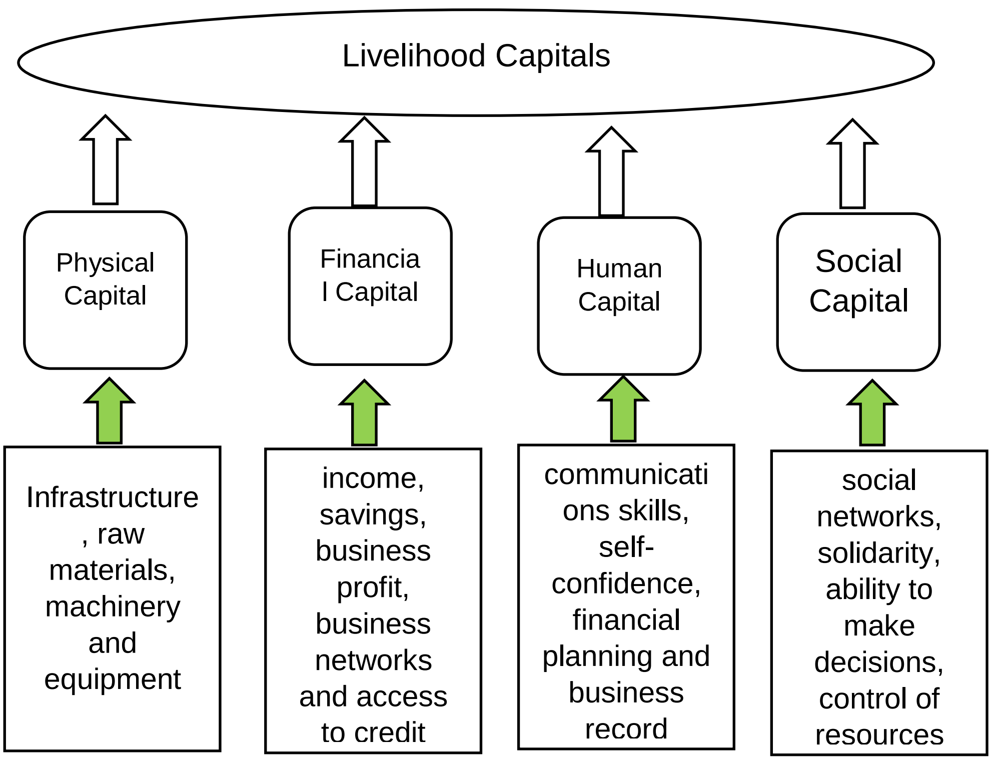
The SLA has been criticized for focusing too much on the micro level (local communities and households) instead of macro levels such as the government and international organization. Scoones (2010) described this as the "lack of attention to power and politics and the failure to link livelihoods and governance debate". The underlying issue is that because most micro level programs are affected by macro-level activities like regulations, government policies and often finance, the long-term sustainability of intervention programs may be undermined when they are disconnected from macro-level factors. As mentioned above, sustainable livelihoods in the view of the SLA framework implies coping or recovering from immediate shocks and stresses with available local capitals. However, with growing data in support of climate change and the resultant effect on even countries where these poverty intervention programs are implemented, Scoones (2010) argue that it is an imperative challenge for SLA to link livelihood discourse and strategies with global environmental change mandate.

Despite the criticism, Claeys (2017) argue that SLA continues to offer a valuable and holistic approach for analyzing highly dynamic and complex contexts. The SLA framework have been widely adapted to analyze situations ranging from exploring livelihood strategies for poverty reduction (Coulthard, et al., 2011; Soltani, et al., 2012) to explaining the relationship between HIV/AIDS and poverty in rural communities (Masanjala, 2006) and to analyzing the impact of tourism on the livelihoods of the poor (Tao & Wall, 2008). Similarly, Wrenn (2007) used the sustainable livelihood framework to assess the impact of microfinance intervention on the livelihood capitals of service users. The SLA framework can serve a variety of applications; however, the SLA framework has been increasingly applied to examine the root cause of rural poverty and develop effective interventions for poverty reduction (Fang, et al., 2014). Acre (2003) contends that the SLA framework is unique for its ideological shift from the conventional top-bottom approach to community and individual development to a bottom-up approach which analysis the livelihoods of the poor and deprived people from their own perspectives. In this sense, the SLA framework is a more realistic framework for analyzing the socio-economic impact of interventions aimed at poverty reduction since it focuses on assessing the direct and indirect effects on the living conditions of the poor (Krantz, 2001).

In summary, this study intends to employ the sustainable livelihood approach for studying the livelihoods of the poor women in Nigeria and evaluating the impact of microfinance intervention on women service users. In order to mitigate the effect of ambiguity that may ensue by analyzing all the capitals mentioned above, the study will focus on those capitals that are relevant to the scope of this study. Focusing on relevant capitals will enable the researcher to provide the depth of knowledge that may help enhance the quality of the study (Clark & Carney, 2008). Therefore, natural capital will not be considered in this study as their importance is not significantly relevant to the context of this study. This study will examine microfinance outcomes based on improved levels of Financial, Human, Physical and social capital accumulation by women service users.

In the present study, financial capital is measured by assessing changes in women income, savings, business profit, business networks and access to credit after participation in microfinance. Physical capital is measured in terms of increase in business assets such as raw materials, machinery and equipment. Human capital is measured in terms of increased entrepreneurial skills knowledge and skills such as communications skills, self-confidence, financial planning and business record keeping skills. The social capital component is measured in terms of improved social networks, social solidarity, ability to make decisions, control of resources and active political participation. These capitals will be explored in the context of women entrepreneurial development and empowerment. Figure 3.2. Below provides a graphical representation of the above discussion.

Figure 3. 2 Schematic representation of Variables and linkages for the sustainable livelihood framework



Source: Adapted from Quandt et al., (2018)

3.5 Formulation of Research Questions and Hypotheses

The research questions were formulated after careful review the microfinance literature and identifying the gaps especially regarding the context of Nigeria. It is important to note that although the research questions are first presented in Section 1.2, they were formulated at this stage after a careful review of the relevant extant microfinance literature. It was evident from the literature review that there was no robust study of microfinance services and their effect on women's entrepreneurship and development from the perspective of women clients in Nigeria.

This study seeks to understand how the various components of microfinance intervention (microcredit, savings, training and group lending) affect women's entrepreneurship and empowerment within their households. In this context, the overall research question of this thesis is: **How do access to microfinance services affect women entrepreneurial development and empowerment?** To answer the research question three sub-questions whose construction was informed by the analytical approach (SLA) adopted by the study and the literature review were developed. Therefore, the following research questions derived from the literature will elaborate on the main theme and focal points of this study:

1. What characteristic factors constrain women's access to microfinance in Nigeria?

The first research question is concerned with the unique characteristic factors of women entrepreneurs that facilitate or impede their access to and utilization of microfinance. Demographic factors such as the age of the woman, level of education, engagement in microenterprise and the nature of the business constrain women's access to microfinance are analysed to identify variables that may constrain or facilitate women's entrepreneurship and empowerment. The intention is to discard factors identified to impede women and to further develop those seen to facilitate women's enterprise and empowerment.

2 Does participation in microfinance initiatives contribute to the development of women's entrepreneurship in Nigeria?

The second research question that emerged from the literature review is related to the role of microfinance in promoting the economic activities of women micro-entrepreneurs. In the context of this study, Microfinance services are described as; microcredit, business training, savings and social networking. On the other hand, women's entrepreneurship development is concerned with enterprise growth and entrepreneurial skills development. Thus, to examine the impact of microfinance services on women entrepreneurs, how they impact women entrepreneur's asset acquisition, employment generation, communication and self-esteem are reviewed and analyzed. To find the answer to this research question, two hypotheses are developed:

- ◊ **H1=** Microfinance services have a positive impact on women's microenterprise growth
- ◊ **H2=** Microfinance services have a positive impact on women's entrepreneurial abilities/skills development

3 Does access to microfinance initiatives economically empower women and increase their social capital?

The third research question is concerned with the role of microfinance in promoting women economic empowerment within their household and social capital development. Analysis of the literature shows that certain unique factors are critical for women empowerment; women contribution to household decision making, control over speeding from income and savings, respect from the male household head, social networks and solidarity and political awareness and participation. The following factors have been broadly considered in this study to examine the impact of microfinance on women's empowerment and social capital development. To find the answer to this research question two hypotheses are developed:

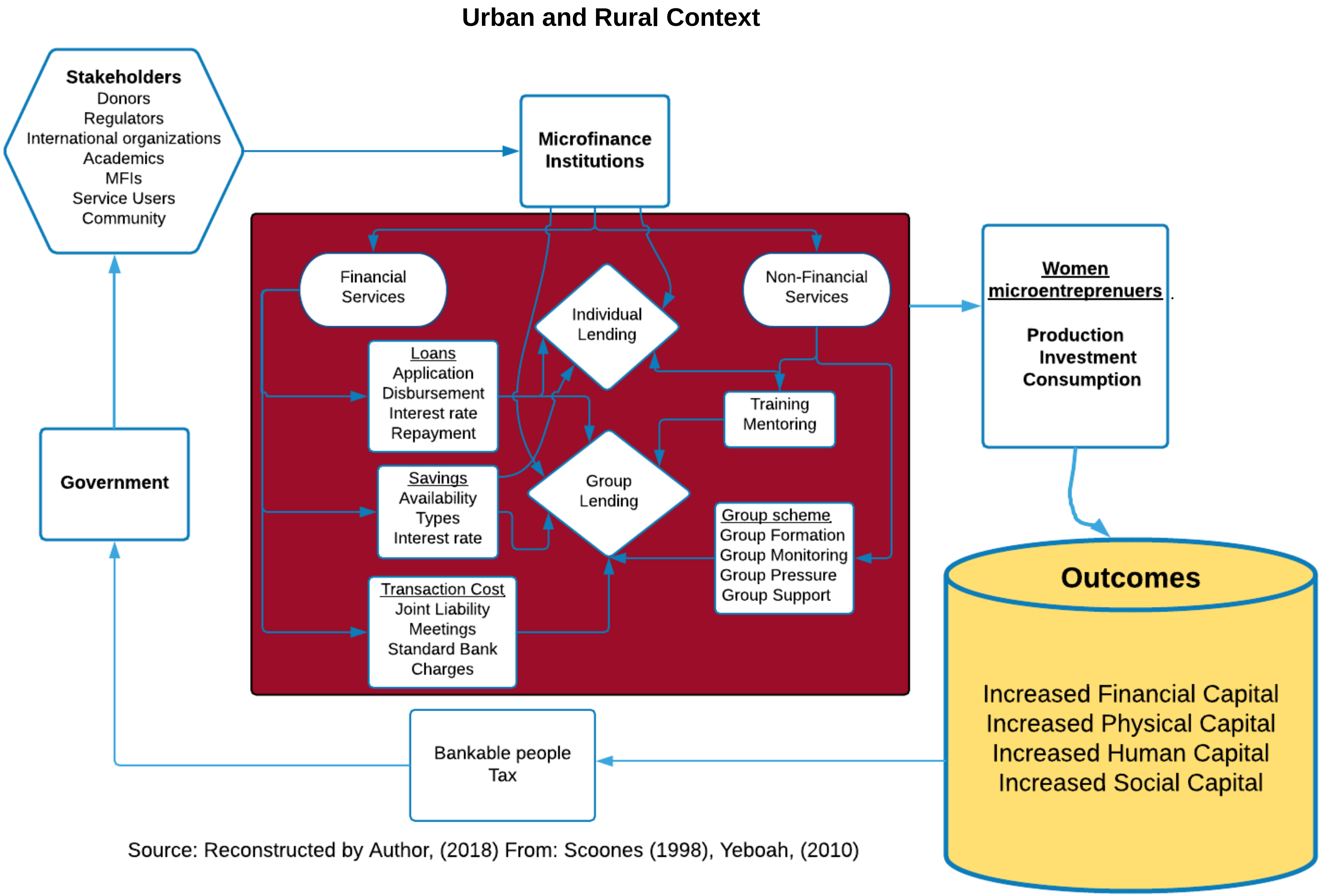
- ◊ **H3=** Microfinance services have a positive impact on women's economic empowerment
- ◊ **H4=** Microfinance services have a positive impact on women's social capital development.

The first research question regarding factors constrains women's access to microfinance will be answered by analyzing the quantitative data concerning the demographic profile of the women and their microenterprises in Section 5.2: Frequency Tables and cross tabulations are used in this analysis. The second and third research questions on whether microfinance impact women entrepreneurial development and empowerment will be analyzed with questionnaire data, interview data and secondary information on the microfinance NGO under study. Both questions would be analyzed using a robust balance of quantitative and qualitative data relying on analytical tools such as Chi-square Test, ANOVA Test, Ordinal Regression Analysis and Directed Content Analysis (see Section 5.4 to 5.9 for details).

3.6 Summary and Research Conceptual Framework

Figure 3.3, the conceptual framework, presents a summary of the microfinance components and their relationships with women entrepreneurs as deduced from the literature. It is important to note that Figure 3.3 is not operational but illustrative. The outer box represents the urban and rural setting where microfinance operates, and this indicates the importance of context to this study. The process flow from octagon-like shape at the top left-hand side to the cone-like shape at the bottom right hands side and back to the octagon shape illustrates the flow of resources and outcome expectation of the effective use of the resources by microfinance and women services users. The microfinance circle begins from the supply side, first where funds and regulations are handed to MFIs by donors and government. MFIs are thereafter expected to transfer those financial resources in addition to non-financial services to women clients. These are captured in the burgundy coloured box: the three boxes to the left of the burgundy box consist of the financial component of microfinance, the 2 boxes to the left consist of non-financial services, whilst the boxes at the middle showcase the lending methodology used by microfinance institutions. Microfinance components are accessed by women entrepreneurs, who use them for investment, production and consumption activities detailed the square shape box at the top left-hand side. The microfinance literature assumes that the effective use of microfinance by women could result in positive outcomes such as those listed in the yellow coloured cone shape at the bottom left-hand side. The potential extended outcome of microfinance operations should culminate in financial inclusion of hitherto excluded women, whose income are taxable by the government. The current study intends to investigate the outcomes of women who have access to microfinance in the Nigerian context.

Figure 3. 3 Conceptual Framework



Source: Reconstructed by Author, (2018) From: Scoones (1998), Yeboah, (2010)

3.7 Conclusion

This chapter provided an overview of microfinance impact assessment approaches and the analytical approach that guides this research study. The Sustainable Livelihood Approach was found to be the most appropriate analytical theory to guide the study given that the focus of the study is to assess microfinance impact on women entrepreneurial development and empowerment from the perspective of women clients. The study is also informed by the intended beneficiary impact assessment theory (see Section 3.11), which emphasizes the importance of the perspectives of intervention beneficiaries especially in regard to justifying the effect of interventions. The study will seek to apply a pragmatic approach in selecting methods to enable it to answer the research questions formulated in this chapter. The next chapter proposes the methodology and analytical tools for analyzing the questions posed in this chapter.

CHAPTER FOUR

RESEARCH METHODOLOGY

4.0 Introduction

This chapter presents an overview of the research philosophy and the different methodological approaches used in the literature to investigate the impact of microfinance on women's entrepreneurship development and empowerment. This research adopted a pragmatic approach in selecting its research methodology by using the most appropriate methodology to examine the impact of microfinance on women's entrepreneurship development and empowerment. Firstly. The chapter critically explored the pros and cons of the different approaches used in previous microfinance impact studies. Having conducted a detailed review of the literature, this chapter provides a justification for the use of mixed methods (qualitative and quantitative methods). For instance, Venkatesh et al., (2013) argue that quantitative analysis alone fails to capture the subjective experiences of women microfinance participants. Therefore, there is a case for the use of mixed methods to gain a deeper insight into the outcomes of the relationship between the providers of finance and female clients. The approach used in this study is consistent with similar studies (Hossain & Knight, 2008; Kumar, et al., 2013; Kumar, et al., 2013; Karlan & Zinman, 2010; Okibo & Makanga, 2014). This chapter is organised as follows: (1) Research Philosophy; (2) Methodological Approaches to Microfinance Research; (3) Mixed Method and Justification of its Use in This Study; (4) research design; (5) Gaining Entry into the Field; (6) Sampling Design and Sample Size; (7) Ethical Consideration; (8) Method of Data Analysis and; (9) Conclusions.

4.1 Research Philosophy

Because social science is the science of people (groups, firms, societies, or economies, and their individual or collective behaviours) (Bhattacherjee, 2012) the philosophy and methods adopted by the researcher are critical to understanding the complexities and the multidimensional nature of their perspectives. It has been acknowledged that the philosophy and method employed in social science research often affect its outcomes (Holden & Patrick, 2004). Therefore, it is important to analyse existing assumptions about research philosophy in a microfinance study. Examining the philosophical standpoints in microfinance research helps the researcher to clarify the overall research design, to identify the appropriate methodologies, methods and even innovate designs outside the researcher's initial knowledge that are based on previous experience (Easterby-Smith, et al., 2003). In particular, a review of philosophies will provide the researcher with insight about the interrelationship between ontological (what is the nature of reality?), epistemological (what can be known?), and methodological (how can a researcher discover what she or he believes can be known?) levels of enquiry into microfinance (Proctor, 1998).

Two broad strands of epistemologies have received huge attention in the social science research philosophy literature. These are called positivism and interpretivism, thus a research inquiry can be framed using either of these two philosophical strands. Ospina & Dodge (2005) pointed out that a research inquiry can be conducted from outside the object (Positivism) or from inside the object domain (Interpretivism). The outside (positivist view) approach explores reality through observational means that are outside the researcher's influence. In this context, Bryman (2008) argues that a positivist approach derives knowledge through rigour ous observations of the phenomenon. By observing a phenomenon, facts are gathered that are used to inform our view of reality, whilst the interpretivist approach derives knowledge from the previous experiences of researchers and how they view the object of investigation. According to Smith (2004), the interpretivist approach to understanding reality involves engaging oneself in information about the actors in question and using both empathy and imagination to construct credible accounts of their senses of identity. It has been widely acknowledged (Rooyen, et al., 2012; Spielberg, et al., 2013) that microfinance activities may impact on the behaviour of the actors (Microfinance institutions and recipients) due to the relationship fostered by interactions. It is important for researchers to analyse and interpret these relationships to arrive at knowledge about the experiences of the various actors.

Both philosophical paradigms: positivism and interpretivism are commonly applied in microfinance research. Contemporary microfinance research has shown that both the positivist and interpretivist approaches can be used concurrently suggesting that they may not operate in isolation of each other. Notwithstanding, there are still contrasting aspects of these two concepts. Therefore, it is necessary to examine both concepts in greater detail to determine the appropriate philosophy to underpin this microfinance impact investigation.

4.1.1 Positivism

According to Gray (2013), the positivists are of the view that reality exit s independent of the researcher and must be investigated through the rigour ous process of scientific inquiry. Similarly, Porta & Keating (2008) argued that the world exit s as an objective entity, outside the influence of the observer and in principle it is knowable in its entirety. Therefore, the positivist seeks to apply the natural science model of research to investigate social phenomena (Nudzor, 2009). This paradigm views the social world as a single reality independent of the researcher (Blumberg, et al, 2008), that could be understood only through numerical measurement, statistical analysis or the search for cause and effect (Holloway & Wheeler, 2002). The isolation of researchers from participating in the discovery of reality is based on the belief that such involvement will compromise or contaminate the truth. It is assumed that the task of the researcher is to observe, describe and analyse the reality. The foundation of the positivist philosophy is rooted in natural science where facts are deduced through laboratory experiments and scientific observations. The positivist argues that researchers may adopt the practice of the natural science in social research by observing the object in its natural setting so that they do not affect the observed object (Porta & Keating, 2008).

However, critics of positivism argue that scientific knowledge has boundaries and limitations, within which, aspects of social life such as religion, tradition and the family system cannot be grasped with the use of one method (Nudzor, 2009). People's perceptions are important to understand the complexity of the social world. Therefore, humans cannot be separated from the social context in which they exit (Collis & Hussey, 2009). It has been observed that microfinance researchers often require the views of credit institutions and service users in order to make an analysis that is interpreted by the researcher. Therefore, even though positivism could be ideal for natural science research, it may not be entirely applicable to the context of microfinance research where human influences have a significant impact on reality.

4.1.2 Interpretivism

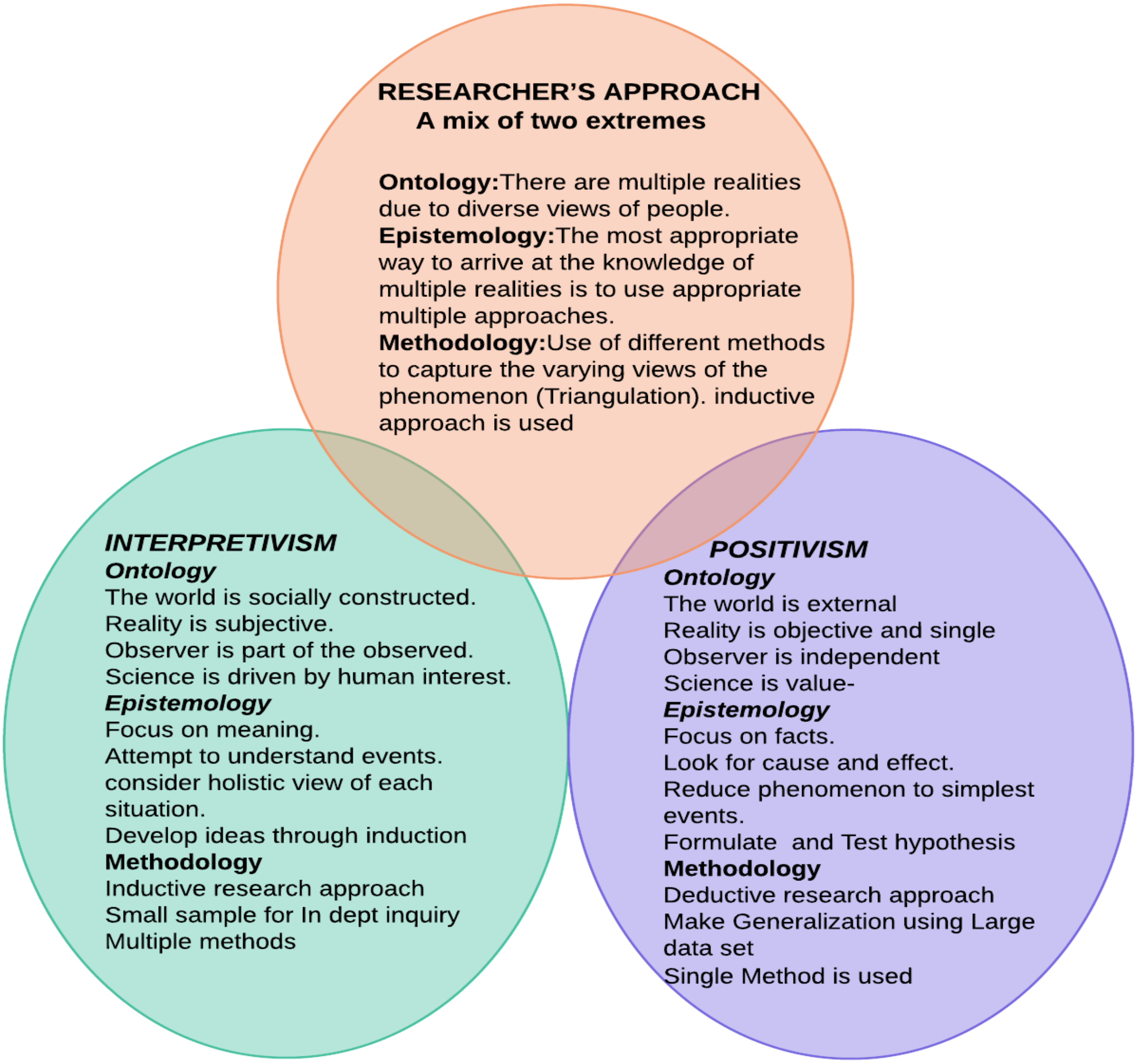
The interpretivist view objective and subjective meanings as inseparable (Porta & Keating, 2008). Interpretivist believes that there are multiple realities due to the varying perceptions of people, thus, in order to examine multiple realities, there is a need for a range of methods other than statistical analysis (Mahmood, et al., 2014). The interpretivist argues that to understand the subjective reality of an issue, an understanding of the practice and perspectives of the people and institutions involved is essential (Bevir & Rhodes, 2004). In contrast to the natural science, the social scienceconsists of subjects (people and institutions) that are entirely different from those of the natural science, hence requiring a different approach that reflects the distinctiveness and complexities of humans (Bryman, 2008). Saunders, et al., (2003) noted that such complexity in the social world cannot be treated as the natural sciences. According to Collis and Hussey, (2009) researchers are not objective and exert some influence on their research. Therefore, it is assumed that by being the investigator, researchers cannot be separated from the social phenomenon under investigation. The researchers' influence is not entirely a negative effect on how reality is understood since the interpretivist believes that the world could be interpreted in two ways: firstly, through the people's interpretations of their position in the world which are interpreted by the researcher and secondly, through the interpretations of researchers feed-forwarded through literature and media, thus creating a new reality (Porta & Keating, 2008). This is why results in the interpretivism paradigm cannot be generalized as they are in positivism. In the view of the interpretivist, the environment and situation of the world are always evolving, thus results that are generated today may not hold in the future (Blumberg, et al., 2008).

Based on the above discussion, the ontological assumption of this research is that the social world regarding microfinance and women's entrepreneurship and empowerment is one single fact, but with multiple realities. This is because the social and cultural context allows people to express their beliefs, which may vary. Although the social and cultural factors will not be the focus of this study, however, they do influence the economic decisions of microfinance borrowers in developing countries (Barrientos & Hulme, 2008). Therefore, the researcher could underpin the issues of microfinance and its impact on women's entrepreneurship and empowerment by not only analysing facts but also the perception of microfinance users. In order to grasp the body of knowledge, it is important to understand microfinance systems and the social factors that contribute to the economic decisions of service users. This implies that to understand the complex realities, there is a need to apply both the philosophical approaches discussed above. In order to do this, it is essential to employ a triangulation approach to examine microfinance impact on women's entrepreneurship and empowerment.

4.2 Research Process in Microfinance

An investigation into microfinance impact on women's entrepreneurship and empowerment is underscored through processes that require an understanding of both hard facts and subjective views. These hard facts emanate from data about microfinance institutions and people’s living standards, whereas the subjective views are echoed through people’s interpretation of their relationship with microfinance. Therefore, the ontological, epistemological and methodological assumptions of microfinance research fall within the positivist and interpretivist paradigms. Although both positivism and interpretivism are two extremes of each other, Figure 4.1 shows that this microfinance research study lies in the middle of these two paradigms. The interpretivism philosophy is fundamental to this research because it encourages the researcher to capture the multiple realities of both microfinance institutions and poor credit recipients and how they perceive microfinance’s impact on their households. The perspectives of microfinance institutions and their service users are vital to understanding the body of knowledge. On the other hand, the methodological approach of positivism which deconstructs realities by testing theories (deductive approach) is also appropriate for this study (Krauss, 2005). Bryman (2008) pointed out that deductive approaches entail the use of theories and concepts already known by the researcher to deduce a hypothesis that drives research inquiry. Upon review of the theories, they are either upheld or rejected. The deductive approach is more inclined to the positivist paradigm as it tests theories by applying statistical and mathematical formulas. Oftentimes, the deductive approach relies on large data in order to make a generalization.

Figure 4. 1 Research Philosophy



Source: Reconstructed by Author (2018) from Literature

This research is partly deductive in nature since it is based on existing theories of microfinance. However, the study also relies on the inductive approach to enable the researcher to gather and interpret subjective views of the microfinance actors (microfinance institutions, loan officers, credit recipients). The Inductive approach is attached to the interpretivism paradigm as it supports the understanding of knowledge through the analysis of qualitative data collected from small samples. The analysis of inductive data informs the formulation of theory (Saunders, et al., 2003). Based on the relevance of the inductive and deductive approaches to this research, the researcher has considered both approaches appropriate for use in this study.

4.3 Methodological Approaches to Microfinance Research

There appears to be no single method for conducting research in microfinance. According to Yeboah (2010), many factors contribute to the choice of methodology and these include researchers' epistemological and philosophical standpoints, the purposes and goals of the study; the characteristics and other contexts of the study area; resources available for the study; and the academic background of the researcher. Barnett-Page &Thomas (2009) argue that the choice of using one or more methods in microfinance research is also influenced by the researcher's inclination towards either of two main research approaches: empirical and non-empirical approach. Empirical research is investigations where the observer gets first-hand data by directly observing the phenomenon in the real world, interpreting it in some way, and then uses this interpretation to reach a decision or generalization about the research (Bachman, 2004). In the context of microfinance, it requires researchers to observe the relationship between microfinance institutions and credit recipients and to interpret the findings in a way that captures both the relationship, the impacts and the context in which it exit s. In particular, empirical research is primary data-based, characterized by the systematic collection and analysis of data. Hu & Fan (2011) contends that a microfinance empirical research usually follows a systematic format that flows from posing research questions derived from the literature and answering those questions through direct consultation with the actors in the microfinance intervention. Conversely, non-empirical research does not rely on first-hand or primary data (Gao, et al., 2001). Non-empirical microfinance research is based on secondary data derived from microfinance statistical records and a review of the previously documented views of the actors in the microfinance intervention. Both empirical and non-empirical approaches are equally popular with microfinance investigations, however, they vary due to the kind of study that is been conducted by the researcher, whether it is an exploratory or confirmatory study. In this context, Hexter (2012) explains that exploratory microfinance researchers aim to collect data that seeks new insights, generates ideas and a new hypothesis about the relationship between microfinance and service users, whereas confirmatory microfinance researchers aim at evaluating pre-exit ing relationships to ascertain whether they are positive or negative.

Notwithstanding, the literature on microfinance research methodology has been largely polarised along two divides (Quantitative and Qualitative methods) because researchers are often recruited, trained, socialized, evaluated, and rewarded for social enquiries that support single methods (Rao & Woolcock, 2003). In addition, researchers and their supervisors often express a clear preference for one method over the other. This practice ensures intellectual coherence and quality control (Rao & Woolcock, 2003). Per & Höst (2009) argue that combining the quantitative and qualitative methods through triangulation will assist the researcher to understand the different angles of the observed object and thus provide a broader picture of the phenomenon. The combination of quantitative and qualitative methods is referred to as a mixed method in the literature (Creswell, 2014). The following Sections present a detailed analysis of the aforementioned methods to provide a justification for the method adopted for this microfinance research.

4.3.1 Quantitative Method

Quantitative research is a scientific approach to understanding social science, which focuses on interpretation and providing consumers with complete views, looking at contexts, environmental immersions and a depth of understanding of concepts (Tewksbury, 2009). The quantitative approach is characterised by the collection of data that can be analysed numerically, the results of which are typically presented using statistics, Tables and graphs. Per & Höst (2009) pointed out that quantitative researchers are often objective and numeric, relying on a large sample size to enhance the quality of the results. The author stressed that quantitative researchers artificially set some control or manipulation of the research participants so that some variables can be controlled to examine the impact across different variables. Therefore, the quantitative approach is deductive and aligns with the philosophy of positivism (Robson, 2011). Surveys (questionnaires), experimental research and cross-sectional studies are different types of quantitative research (Collis and Hussey, 2009). Survey research employs a deductive approach to collect primary and secondary data, analyse them statistically and make a generalization. Creswell (2014) noted that survey designs provide a quantitative or numeric description of the attitudes and trends of a population by studying a sample of that population. Experimental research uses techniques in physical science to find the causal relationship between two or more variables (Sarantakos, 2013). On the other hand, cross-sectional studies investigate different samples of the same phenomenon concurrently in order to identify patterns or variations between the samples/variables (Bryman, 2016).

Different quantitative designs have been used in various microfinance studies. Quantitative designs such as survey, experimental and quasi-experimental have been adopted by Takahashi et al., (2010); Fafchamps et al., (2014); Boateng et al., (2015); Abiola (2011); Pitt and Khandker (1998) and Akingunola et al., (2013) to investigate the impact of microfinance on the poor. Khandker & Samad (2013); Khandker (2005); Islam (2009); Imai et al., (2010) and Adjei et al., (2009) used panel data and cross-sectional design to examine the effects of microfinance on service users. These studies drew samples from a population of microfinance users (treatment group) and non-microfinance recipients that share significant similarities with the treatment group. Findings from their studies were based on the analysis of the outcomes of members of the treatment group and the control group, thus the difference between them indicated the effects of microfinance. Although the aforementioned studies applied a quantitative approach, they used different statistical tests for data analysis.

4.3.2 Qualitative Method

A qualitative approach is concerned with providing an in-depth understanding of the phenomenon thus, it focuses on the meanings, traits and defining characteristics of events, people, interactions, settings/cultures and experience (Tewksbury, 2009). This is particularly important in the social world where the perspective of people cannot be fully captured in numeric forms. Therefore, qualitative researchers use a range of instruments to grasp the body of knowledge under investigation. Tewksbury (2009) suggested that a range of data collection methods such as interviews with individuals, observations and focus groups are often used to understand the what, how, when and where of social structure and the action/interaction of people. In converse to the quantitative method, the qualitative method is descriptive and subjective using text and words to provide a detailed analysis of the data. The product of qualitative data analysis often leads to new concepts and a hypothesis justifying its connection with the inductive and interpretivist philosophical viewpoint (Robson, 2011). Qualitative researchers are driven by people's involvement; thus the emphasis is placed on the interpretation of the views of the respondents which indicates that it aligns to interpretivism.

Structured interviews, focus group discussions and direct observations are qualitative data collection instruments commonly used in microfinance studies due to their usefulness for understanding the impact of microfinance interventions on service users. For instance, Khan (2014) used structured interviews to examine microfinance's impact on poor households in Bangladesh. Kiiru (2013) used direct observation and focus group discussions to explore the relationship between microfinance, entrepreneurship and poverty in Kenya. Some researchers (Tedeschia, 2008; Hietalahti & Linden, 2006; Thabethe, et al., 2011) have also employed case study approaches in investigating microfinance. The outcomes of the aforementioned studies indicate that the qualitative methods helped the researchers to firstly, avoid speculative generalisations of microfinance impact from a subject's point of view. Secondly, the researchers directly interacted or got involved with the target population of their research. Finally, the participants revealed behaviours and beliefs that couldn't have been easily captured using other methods (Swain and Wallentin, 2009).

However, both the quantitative and qualitative methods have particular weaknesses that limit the quality of the results that can be generated from any microfinance study that relies on any one method. Hutchison (2012) argues that a quantitative method cannot capture the subjective views of individuals (how they meet their welfare needs) or the complex nature of social life whereas the qualitative method cannot produce statistical evidence to substantiate their interpretation of the reality (Cameron, 2009; Garbarino & Holland, 2009). In this context, Gaiha and Nandhi (2006) and Olson (2011) suggested that a combination of quantitative and qualitative approaches will provide a complete picture of household structures, processes, and relationships with microfinance providers.

Based on the above analysis, the research methodology for this study originates from the pragmatic standpoint in social research. According to Creswell (2014), pragmatists are not committed to any single philosophical paradigm but employ all appropriate methods to grasp the various dimensions of the research problem. The pragmatist approach is one that is pluralistic, consequence oriented and problem centred. Supporting pragmatism, Patton (1990) advocates for multiple paradigms that rely on methodological appropriateness as the main criteria for choosing a methodological approach. This implies that pragmatists are likely to apply multiple methods or mixed method approaches when required to solve research problems. Johnson & Onwuegbuzie (2004) provide a succinct summary of pragmatism as follows: it offers a practical and outcome-oriented method of inquiry that is based on action and leads, iteratively, to further action and the elimination of doubt; and it offers a method for selecting methodological mixes that can help researchers better answer many of their research questions. In general, pragmatism implies multiple methods, different worldviews, and different assumptions, as well as different forms of data collection and analysis in the mixed-method study (Creswell, 2014). The next Section provides a justification for adopting a pragmatic (mixed method) approach in this study.

4.3.3 Mixed Method and a Justification of its Use in This Study

Mixed method research is the mixing or combining of quantitative and qualitative techniques, methods, concepts and approaches in a single study (Johnson & Onwuegbuzie, 2004; Cameron, 2009; Teddlie & Tashakkori, 2009). A more in-depth definition of the mixed method was provided by Creswell & Tashakkori, (2007) as research which allows the researcher gathers and analyses data, integrates the findings and draws inferences using quantitative and qualitative methods in a single study. The appeal of mixed method stems from its insistence that researchers should not be limited by any one method but should adopt all appropriate methods that will help in understanding the phenomenon under investigation. In this context, Mertens (2015;304) pointed out that the intent of the mixed method is to seek a common understanding through triangulating data from multiple methods or to use multiple lenses simultaneously to achieve alternative perspectives that are not reduced to a single understanding. A review of the microfinance literature (Hossain & Knight, 2008; Kumar, et al., 2013; Kumar, et al., 2013; Karlan & Zinman, 2010; Okibo & Makanga, 2014) indicates that the application of mixed methods in a single study is prominent in microfinance impact research. According to Wooley, (2009) the quantitative approach is characteristically indirect and deductive whilst the qualitative approach is characteristically direct and holistic. Therefore, it is apparent that the strengths of one approach potentially complement the weaknesses of the other, and vice versa (Roa and Woolcock, 2003). A conclusion that Johnson & Onwuegbuzie (2004) seem to agree with, that the goal of mixed methods research is not to replace either of these approaches (quantitative or qualitative method) but rather to draw from the strengths and minimize the weaknesses of both in a single research study and across studies. In this context, Garbarino and Holland, (2009) argue that the combination of quantitative and qualitative methods is most appropriate when the research aims to prove impact and to improve microfinance interventions.

In keeping up with the pragmatic methodology as well as the objectives of this study which seeks to understand microfinance activities and to assess their impact on women's entrepreneurship and empowerment, the mixed method approach was considered the most appropriate for this study (Rao & Woolcock, 2003; Garbarino & Holland, 2009). This study agrees with Zeller et al., (2006) that the quantitative and qualitative variables are required to capture the multidimensional nature of poor women which lies at the heart of microfinance impact research. The research questions posed in this study represent a multi-tiered investigation of interrelationships between microfinance, women's entrepreneurship and empowerment. As each of these elements manifest distinctly in both qualitatively and quantitatively observable ways, a full examination of women's empowerment and entrepreneurship within the context of microfinance requires an integrated capture and analysis of the data across methods (Feldon & Kafai, 2008). Quantitative methods will be used to capture numeric indicators of the outcomes of microfinance, however, quantitative data does not help the researcher understand why and how service users utilise the credit. Therefore, the qualitative method will be relied on to understand how women utilise resources and how their relationship with microfinance providers has impacted on their enterprise development and empowerment. In this context, the qualitative method provides a rich description of the relationships between MFIs and women service users, thereby overcoming the abstraction inherent in quantitative data (Yin, 2004). Bryman and Bell (2007) argue that using mixed method gives a researcher the ability to combine the specificity and accuracy of quantitative data with the ability to interpret the idiosyncrasies and complex perceptions provided by qualitative analysis. Therefore, a triangulation of the quantitative and qualitative data will assist the researcher to identify and analyse the relationships between microfinance and women's entrepreneurship and empowerment along with multidimensional levels shaped by social and cultural perspectives (Hussain & Mahmood, 2012).

4.3.3.1 Merits and Demerits of Mixed Methods

Table 4.1 documents the advantages and disadvantages of the mixed method approach used to collect and analyse data in this microfinance impact study.

Table 4. 1 Merits and Demerits of Using Mixed Methods

More robust results due to the accommodation of multiple perspectives	Demands enormous resources to implement	Narrow the scope of the study as much as appropriate
Provide an in-depth explanation of the relationships behind numeric values	Requires expertise knowledge	Use simple research design
Can be used to address a wide variety of research questions	Data analysis can be time-consuming	Rely on appropriate statistical software to aid analysis
Can employ triangulation to integrate various data sources	Poses some difficulty in interpreting data from multiple sources	Rely on appropriate statistical software to aid analysis
Analysis can be done on multiple levels of the phenomenon	Requires expertise knowledge and is time-consuming	Rely on appropriate statistical software to aid analysis

Source: Author, 2018

4.4 Research Design

A research design provides a framework that enables the researcher to collect and analyse data for the purpose of addressing the research questions of a research investigation (Bryman, 2016). The research design for this study is derived from mixed methods frameworks that are considered suitable for investigating the impact of microfinance on women's entrepreneurship and empowerment. Data was gathered from women clients of microfinance who are understood to have benefited from microfinance in various ways, such as, access to microcredit, savings, business training and social capital. The rationale for focusing on these benefits is based on the assumption that the effective use of these resources (assets) (Krantz, 2001) in terms of business input, strategy and social support can lead to women's entrepreneurship and empowerment (Kabeer, 2010; Kabeer, 2005). This can be demonstrated as; "the presence of X, may cause the presence of Y" or without the provision of microfinance no such an outcome will occur in terms of women's entrepreneurship development and empowerment, which can also be illustrated as "absence of X, may cause an absence of Y". In summary, the research design of this study incorporates a blend of quantitative and qualitative methods in data analysis, with the aid of interviews and questionnaires as data collection tools to address the research questions (see Section 1.2).

4.5 Gaining Entry into the Field

Gaining access to the research setting and participants is critical to the completion of any field study and this entails getting approval and maintaining it throughout the duration of the fieldwork. Institutions are often reluctant to grant access to researchers due to concerns about the intentions of the researcher/study, how their presence could disrupt normal operations, how and what the findings will be used for. Siwale (2015) observed that the presence of researchers could raise fear of scrutiny which often makes institutions apprehensive. To mitigate against any unfavourable situation, institutional gatekeepers (top management officials) are saddled with the responsibility of screening a researcher's proposal in the light of its benefits and threats to the organization and participants before approval is granted (Wanat, 2008).

The process of negotiating access begins with identifying and fostering relationships with influential gatekeepers (Feldman, et al., 2004). In this study setting, the influential gatekeepers were directors and the CEO of the Better Livelihood Centre (microfinance NGO) based at the headquarters of the institution in Lagos, Nigeria. My first contact was with one of the directors about eight months before my planned visit to the site. This was made possible by an acquaintance of mine who happened to have met the director at an informal gathering. Realizing that his contact was essential to my research, my friend initiated the process of introducing me to the director. Researchers have found that negotiating access to the research site and participants could be less difficult if they have personal contacts with the site (Gray, et al., 2004; Patton, 2002). This was particularly true in my case and because I was referred by a friend, the director was friendly and quick to offer to assist me in gaining access. More so, due to the initial informal introduction to the director, I was able to speak to him (over the phone) and discuss permission to conduct research, bypassing the bureaucracies of having to go through layers of formal communication hierarchy.

After the initial communication (emails and phone calls) with the director, the researcher maintained communication with the director until the visit to the site. The follow-up communication helped re-enforce cordiality and rapport. It was during these discussions that the researcher was advised on the most suitable time to visit the site. He (the director) had argued that it would be beneficial to the research if my visit is scheduled at periods when the organization's activities had peaked within the year and when all the influence gatekeepers would be available to give consent to my research proposal. This gave me access to many respondents and saved time and the cost that would have resulted from waiting for any key contact person who may have been unavailable. Upon arrival in Nigeria, a face-to-face meeting was held with the director to kick-start the process of meeting other influential gatekeepers. It took 2 weeks to get an appointment to meet and present my research proposal to a selected group of top management personnel such as directors, divisional managers, the research head and the head of the risk. The first meeting was well received by all the officials present due in part to the director's expression of credibility for the research. The support of the director may have stemmed from his genuine love for research especially given that he was also completing a PhD program during this period. The researcher believes that other gatekeepers supported the research because it resonated with the mission of the organization to reduce poverty by empowering women. The second meeting was held the following week, and it was at this meeting that all the logistics of travelling to the site and meeting with the respondents and the staff was finalized. At this point, I was informed that a circular would be sent to divisional and branch managers providing instructions to co-operate with me in collecting data for the research. The fieldwork began in May 2016 and ended in November 2016.

The researcher noticed that upon receiving the authorization to go into the field, members of staff of the organization were very helpful especially with granting interviews and access to service users. Although the organisation was happy to hand out manuals and annual publications, they were reluctant to provide access to certain information such as the volume and range of disbursed loan, repayment rates, and borrowers' information. The researcher assumes that this behaviour may be due to the lack of information or the fact that the information was too sensitive to release. The assistance from the staff was particularly helpful in locating remote communities where the poor road network is normal. They acted as lead guides, helping the researcher to navigate easily through difficult local terrains and their presence provided credibility for the research. Staff members also provided vital information that helped the researcher to purposively select the sample of participants for the focus group interviews. For instance, branch level staff provided the researcher with a list of the groups of women borrowers who were currently receiving loans from the organization. The divisional and branch managers were particularly helpful in granting the researcher access to interview loan officers who were often in the field with borrowers.

As reported in many studies, (Ahrens, 2004; Bryman, 2016; Robson & McCartan, 2016) negotiating entry is not a onetime event but a continuous activity throughout the duration of the fieldwork. Negotiating access to the service users became necessary after the top gatekeepers had given their consent. Yeboah (2010) observed that the first contact with service users constitutes an important act of negotiating access. The researcher met the groups (women borrowers) for the first time in the company of the staff members of the organization such as the divisional managers, branch managers and credit officers. The presence of staff members was to draw attention to the fact that the researcher had prior approval to conduct the research. Their presence also provided a calm atmosphere, allowing service users to respond in a friendly and welcoming manner. Staff members commenced the introduction by chanting the slogan of the organization and the women responded “Prosperity”. The researcher observed that the chant of the slogan helped to foster a sense of belonging amongst the women borrowers and reinforces the notion of a united front against poverty and deprivation. Staff members would then proceed to introduce the researcher and to solicit cooperation from service users for the research. Reeves (2010) urges researchers to realize that the mere presence of staff members is not enough to appeal to participants to cooperate fully with the research. Therefore, after being introduced, the researcher took the time to explain the research, its purpose and the possibility of how the findings could inform management decisions on improved services for them. This helped participants gain an understanding of the purpose of the research and the nature of their participation in the study. After which the researcher asked participants: “Are you happy to continue your participation in this research and for me to carry on with the data collection?” and their response was a resounding “yes”. Getting the ‘OK’ from the women borrowers implied that the approval to cooperate with the researcher had been granted. Once the negotiation of access to the field was completed, data collection constituted the next phase of the research.

4.6 Justification for the Study Area and Target Population

Better Livelihood Centre was selected for the purpose of this study. The main criteria for selecting the Better Livelihood Centre was based on it being a leading provider of microfinance services in Nigeria and its predominantly women client based which aligns with the target respondents for this study. Other reasons were its depth of outreach (473 branches across Nigeria) in both rural and urban centres, its widespread presence across 23 out of 36 states of Nigeria and lastly its large client base of over half a million (605,113) active clients (Better Livelihood Centre, 2016). For ease of operations, the Better Livelihood Centre grouped the 23 states of its operations into 5 programme areas. The researcher observed that certain states had well-developed microfinance structures, services, and clients due to many years of microfinance intervention in existence in those states. For instance, the Lagos state was selected as one of the target locations for this study because it is the commercial hub of Nigeria and accounts for 24% of the microfinance institutions in Nigeria (Abraham & Balogun, 2012). Other states selected for this study include Oyo, Kwara, Imo and Edo. In each state visited, the study included respondents from urban and rural areas. Isolo, Siloku, New Benin, Ibadan, and Owerri were either close to or the actual state capitals of the various states visited, hence they were considered as urban areas due to their proximity to infrastructures, healthcare, market, and the high literacy rate of the population. Other communities such as Badagry, Share, Oja Ipata, Gwagi, and Emekuku were found to lack some or all of these basic social amenities. Akinola (2007) and Wilson et al., (2009) argue that a lack of the aforementioned social amenities in an area demonstrates the prevalence of poverty and in most cases these areas could be classified as rural areas. Therefore, Badagry, Share, Oja Ipata, Gwagi, and Emekuku were selected to represent rural areas in this study.

4.7 Design of Questionnaires and Semi-Structured Interviews

The objective of the data collection was to obtain first-hand information from the respondents in order to assess the access to and impact of microfinance intervention on women's entrepreneurial development and economic empowerment as reflected in the aim of this research (see Section 1.1). The questionnaires derived from previous studies in the area of women's empowerment and entrepreneurial development and were designed to answer the research questions earlier presented in Chapter 1: Section 1.2. Mahmood (2013) investigated women's entrepreneurship and economic empowerment through microfinance in Pakistan; the questions she posed were useful in constructing entrepreneurial and empowerment questions in this study especially given that her research was conducted in a developing country context similar to this research. The questionnaire design was also informed by several other studies (Malhotra & Schuler, 2005; Mahmood, 2013) which had analyzed either women's empowerment or women's entrepreneurship or both in a developing countries context. Since this study was conducted in Nigeria, a pretesting of the questionnaire was required to improve the questionnaire and align it with certain unique treats of the research context.

The questionnaire for this research had closed-ended questions spread across five sub-divisional parts (see Appendix B). The first part of the questionnaires centred on collecting background and profile information from respondents such as age, marital status, the number of children and the education levels of the service users and their household. These demographic data were analysed in Section 5.2 to answer the research question presented in Section 1.3.

The second part examined the personal finance, asset and income of respondents and their household before accessing microfinance. The third Section assesses the components of the microfinance intervention: the purpose of the loan, preferred savings options, interest rates, years spent with a microfinance institution, loan size, loan repayment responsibility, usage of loan and training support from the microfinance institution. The fourth part of the questionnaire consists of multiple choice and Likert scale questions which sought to determine the impact of microfinance on women's entrepreneurship and on business activities. The final part of the questionnaire also consisted of multiple and Likert scales questions which sought to gather relevant data to analyze the impact of microfinance on women's empowerment and increase in social capital. These questions are related to the third research questions presented in chapter 1: Section 1.3.2. Although the questionnaire was 11 pages in length, it only took respondents not more than 30 minutes to complete.

Semi-structured interviews were used in this study to collect qualitative data. The interviews were conducted in English and then translated to Yoruba, Igbo, pidgin English and Hausa to the women borrowers according to their language preference. The English language was the preferred language for interviewing loan officers and other staff members as it was the official language for communication within the organization (Better Livelihood Centre). The study had separate interview guidelines for the women borrowers (focus group interview) and others for staff members of the microfinance institution. Although both guidelines were different, both consisted of questions relating to access to microfinance, women's empowerment and entrepreneurship. The focus group interviews for women borrowers also included questions concerning group solidarity and help, group decision making, sanctioning, group savings and loan officers' behaviour (see Appendix B). The interviews addressed all the research questions and also provided in-depth information about the experiences of women borrowers of microfinance. A field record sheet was used to record important details such as the number of respondents, names of union-represented, interview location, time and date. The interviews with loan officers and other management staff were conducted on a one-to-one basis with the researcher. Besides the aforementioned areas captured in the interviews, the interview questions also sought to gather information concerning how defaulters are treated, criteria for loan disbursement, how they identify clients' needs and respond to the needs, savings and loan repayment system. It is worthy of note that the Better Livelihood Centre operates a system of organic growth of its staff, hence most top management staff like divisional and program managers were once loan officers. This ensures that they have a robust understanding of the needs of the women and the dynamics of working and reaching out to poor women. The benefit of this study was the rich perspective and detailed information they provided during the interview.

4.7.1 Pilot Testing of Questionnaires and Interviews

The practice of Pilot testing is considered essential for improving the validity of data collection instruments (Brown, et al., 2008; Collins, 2003). Oppenheim (1992; 47) pointed out that "Questionnaires do not emerge fully fledged; they have to be created or adapted, fashioned and developed to maturity after many abortive test flights". Pilot testing enhances the researcher's knowledge of the effect of the questions upon the respondents and exposes ambiguities within the survey instrument (Schroeder, 1987). Pilot testing of data collection instruments (questionnaires and interview questions) for this study was conducted to ensure that the questions were suitable and appropriate for the designated purpose and amendments were effected where necessary. More importantly, pilot testing was important to this study given that the questions were written in English but were to be translated and read out to the respondents in their preferred local languages. The questions were piloted in Isolo, a suburb of Lagos state. Isolo was deemed appropriate for the pilot testing being one of the study areas for the research and also having the presence of microfinance institutions.

During the pilot testing exercise, the researcher discovered some deficiency in the questionnaires and adjustments were made accordingly. For example, the researcher found that some questions were duplicate and others were difficult for respondents to understand. The final version of questions used for this research was a product of the clarification from the pilot testing. The pilot testing also enabled the researcher to become more acquainted with the questions and increased the fluidity of administering the questions to respondents.

4.7.2 Sampling Design and Sample Size

Due to resource constraints, it is practically very difficult for researchers to study the entire population, hence, they often rely on selecting a part of the population to represent the whole. Sampling is the process of selecting individual observations for a study with the purpose of obtaining knowledge about the entire population. Although there are four main categories of sampling in social science, probability sampling, and purposive sampling remain the most widely recognized and used (Teddlie & Yu, 2007). Probability sampling techniques are primarily used in quantitative studies and ensure that every case of the population has a known or equal chance or probability of being selected for the study sample (Bryman, 2016; Collis & Hussey, 2009; Fowler, 2013). Examples of probability sampling include multi-stage, systematic, stratified, simple random and cluster sampling. The random selection of elements remains the common feature of each of the aforementioned techniques. On the other hand, purposive sampling techniques are commonly used in qualitative studies and are concerned with selecting units based on specific characteristics associated with answering the research questions of the study (Palinkas, et al., 2015; Teddlie & Yu, 2007). There are many examples of purposive sampling techniques and these include homogeneity, heterogeneity, snowball, Extreme or deviant case and Multiple Purposive techniques.

The common factor underlining all these techniques is the non-random nature of their sample selection process. Therefore while the probability sampling seeks to provide generalisation and a representation of the population, purposive sampling seeks to provide insight into the working dynamics and complex structures of the study population. Therefore, employing both techniques in a single study is useful as this increases the likelihood of research findings to be both representative of the population and valid given the depth of knowledge gained.

4.7.3 Sampling for Quantitative Analysis

Surveys are intended to provide the statistical characteristics of a target population by designating a subset (sample) of that population from whom information is collected (Fowler, 2013). In selecting a sample, it is important to ensure that the sample population is representative of the target population in order to ensure that the findings of the study are generalizable. Lenth (2001) contends that the sample size should not be too small such that it lacks the capacity to produce meaningful results or too big to gulp up more resources than necessary. Therefore, researchers often face the difficult task of determining the appropriate sample size for their study.

Although the literature suggests that a minimum sample size of 30 is appropriate for any meaningful statistical analysis (Borg & Gall, 1989; Tabachnick & Fidell, 2013), most researchers prefer 100 or more cases for analysis (Overton & van Diermen, 2003). Saunders et al. (2016) suggested that a sample size of 383 is appropriate for a population of between 100,000 and 1,000,000 at a 5 per cent margin of error and at a 95 per cent confidence level. Therefore, since the population size (active clients of Better Livelihood Centre) of this study is below 1,000,000 (605,113), the sample size for this study was placed at 390. This ensures that the sample size of the study is representative of the population. The sample size was apportioned in equal percentage to the 5 states covered by the research: 20 per cent each for Lagos, Oyo, Kwara, Imo and Edo state. Therefore, the formula used for deciding the sample size for each state is as follows:

390/5 = 78 (sample required for each state).

The questionnaire sample is based on the following criteria:

1. The women borrowers of the Better Livelihood Centre living in any one of the five states covered by the study
2. The women borrowers must have access to microfinance service as at the time of the research.

4.7.4 Sampling for Qualitative Analysis

A key feature of qualitative sampling is that it is relatively small. This is because qualitative research is concerned with meaning and not making a generalisation (Crouch & McKenzie, 2006), therefore a small sample size enables an in-depth exploration of the subject under investigation (Ritchie, et al., 2014). Similarly, Mason (2010) argues that because qualitative sampling is focused on meaning, the occurrence of a piece of data or code is potentially as useful as many in understanding the processes behind the phenomenon. Based on this, it can be argued that in a qualitative study more data may not necessarily mean more information. In the agreement, Patton (1990:186) concludes that “the validity, meaningfulness, and insights generated from qualitative inquiry have more to do with the information-richness of the cases selected and the observational/analytical capabilities of the researcher than with sample size”. This is particularly true for this study as the qualitative part was designed to provide insights and meaning regarding the experiences of women borrowers with microfinance intervention, whilst the quantitative part was designed to provide a generalization through the appropriate representation of the research population.

Notwithstanding, researchers have provided a range of sample size suggestions for qualitative studies using individual interviews as a tool: Alder & Alder (1987) suggested a sample of between 12 to 60 whilst Ragin (2012) suggested between 20 to 50. Ritchie, et al. (2014) argue that as a rule of thumb, sample sizes for single interviews should be under 50 whilst focus group interviews should be between 6 to 12 groups.

They contend that a sample size of 15 groups and above could become too difficult to manage and could amount to over inclusion of selection criteria. Based on the aforementioned, this study selected 11 groups of women borrowers for the focus group interviews and 28 staff members were selected for the semi-structured interviews. The study employed the proportional sampling method in apportioning the sample size across the 5 states (see Table 4.2) with Lagos having a larger proportion due to having a high density of women borrowers and MF branches than others.

Table 4. 2 Individual Interviews, Target Communities, and The Number of Participants

Individual Interviews with Staff, target communities, and number of participants						
Lagos state	**Edo State**	**Kwara State**	**Oyo State**	**Imo State**	**Sampling Technique**	**Interviews**
National--------(5)	Siluko----------(2)	Share-------(2)	Ibadan 1-----(2)	Emekuku-----(2)	Purposive sampling	Loan officers / Managers/ directors
Isolo------------(3)	New Benin----(3)	Oja Ipata----(2)	Gwagi 3------(2)	owerri 1-------(3)		
Badagry-------(2)						
Focus Group Interviews with women, target communities, and number of participants						
Badagry 1----(12) Badagry2----(11)	Siluko---------(13)	oja ipata-----(35)	Iworoad-----(17)	Emekuku----(15)	Homogenous, Snowball, and purposive sampling	Women Borrowers in groups
Isolo-----------(19)	New Benin----(12)	Share--------(23)	Gwagi-------(24)	Owerri 1-----(22)		
Total respondents for individual Interview with Staff		**28**				
Total respondents for focus group interviews with women		**203**				
Total Respondents for qualitative sample		**231**				

Source: Fieldwork data, 2016

Table 4.2 shows the communities selected for this study, the number of respondents that participated and the sampling technique used. The Snowball sampling approach was used to identify potential respondents for the focus group interviews. Some staff at the national and branch levels of the Better Livelihood Centre were first interviewed and then asked to identify active group leaders and members from different credit unions who were responsible for organizing the groups. Afterwards, purposive sampling was used to select respondents: respondents were selected based on the length of time spent with the microfinance intervention, actively using microfinance as of the time of the study, accessibility, and a willingness to take part in the research. Thereafter, the group leaders and members were randomly selected from different unions and merged to participate in the focus group interview. Randomly selecting borrowers from different credit unions (groups) to form the focus group interview was necessary to ensure that the diverse perspectives and experience of women borrowers from the different credit unions are represented. The researcher found that this strategy provided more insight into the outcomes of microfinance relationship with women borrowers. Other sampling techniques such as convenience, self-selection and heterogeneous sampling techniques were not employed because they were not found to be useful and adaptable to the study.

4.7.5 Administering the Questionnaires, Interviews and The Response Rate

The questionnaires were administered by the researcher, with the help of two research assistants. The initial interview revealed that they were graduates and had some experience in data collection. The questionnaires were administered by reading out the questions in a face-to-face situation to solicit responses from the respondents. This approach was adopted due to the length of the questionnaires and the need to explain questions which were not well understood by respondents. Other survey options like telephone and self-administered questionnaires were found to be inappropriate given that most respondents were either illiterate or not well educated (Bryman, 2016; Creswell, 2014). In addition, postal questionnaires were not considered due to the unavailability of adequate postal services. The researcher believed that a higher response rate is more common with face-to-face questionnaires than any other survey option.

Each administered questionnaire had a statement of research intent and information that explains the confidentiality issues, and the voluntary participation requirement of the study. This statement is first read to respondents to solicit their voluntary participation. Due to the multiple local languages used by respondents, special attention was paid to the translation of the questionnaires from English to the various languages spoken by the respondents. This was particularly common in rural areas as opposed to urban areas. The response rate was quite high, out of the 390 distributed questionnaires only 32 was rejected due to incomplete responses whilst 8 was missing. 350 questionnaires were actually used for the data analysis.

Response rate = total number of responses / (total number in a sample)

350/390 x 100 = 89% response rate.

This is the total response rate.

The interviews were conducted in two stages, the focus group interviews first, followed by interviews with staff members. Staff members were individually interviewed to learn about their relationship with women borrowers and the process of delivering the microfinance intervention. Officers interviewed were loan officers, branch manager, divisional manager, program managers and directors. Besides soliciting interviews, staff members were also consulted to clarify issues raised during the focus group interviews. A total of 39 interviews was conducted; 11 focus group interviews with women borrowers, 28 individual interviews with staff members (credit officers, branch managers, area managers, divisional managers, and directors.

All interviews were conducted at the premises of the microfinance organization. This was to allow for easy access to the location and convergences of the borrowers who came from various localities having been selected from different credit unions. Interviews were conducted during morning hours when respondents were less busy and they lasted for an average of 1 hour. Due to the enthusiasm of the respondents to participate in the research, the researcher found it difficult to exclude respondents who had taken time out of their busy schedule to attend the focus group interviews. This was why we had some group interviews record high numbers of respondents. The women borrowers actually felt it was an important opportunity to air their views, thereby making the researcher morally compelled to include everyone in attendance. Follow-up questions were used to achieve two things: (i) to ensure the ideas put forward by respondents were understood and (ii) to probe further in order to understand the issues that emerged.

4.8 Challenges Encountered During the Fieldwork

This Section describes the challenges encountered by the researcher during the field research. Harzing et al. (2013) describe such challenges as “messy dilemmas” that researchers have to navigate in order to complete the field exercise. Being a scholar who has continuously lived in a developed country for over 6 years prior to the fieldwork, the researcher faced certain challenges such as staying in places with no electricity and porTable clean water, the risk of getting robbed and the prospect of being approached by staff members for bribes? in order to ensure access to the site. The specific challenges faced by the researcher during the fieldwork are discussed here.

4.8.1 Language Barrier

Research has shown that the use of English language questionnaires to solicit responses from participants with little or no English literacy could create a language bias (Harzing, 2005). This occurs because their poor English literacy could limit respondents’ ability to understand the questions which could lead to poor or incorrect responses. Given that the fieldwork was conducted in five states where a minimum of three different native languages (Yoruba, Igbo, and Hausa) was spoken by respondents, the researcher was faced with a language barrier challenge. However, the researcher overcame the language challenge by translating the questionnaire into the native languages of the respondents. Besides making the questionnaire language friendly, the researcher observed that the translation encouraged respondents to engage more, and this increased the response rate (Harzing, et al., 2013). The researcher did not face any language challenge in interviewing members of staff as every one of them had a reasonable understanding of the English language given that it is the main language of communication within the organization.

4.8.2 Interviewing Women

Women borrowers constituted the main service users of the microfinance organization examined as well as the main respondents for this study. In the Nigerian context, it is culturally inappropriate for an adult male to be alone in a confined place (a room) with married women even for the purpose of research. Because most of the women respondents were married, the researcher took the decision to conduct all interviews with the women borrowers within the premises of the microfinance organization to eliminate any impression of an amorous relationship. However, this meant that the researcher had to contend with issues associated with interviewing in open places such as noise and distractions from passerby clients who were non-research participants. Another concern was to ensure that respondents did not feel uncomfortable to express negative views within the institution's premises. To minimise this challenge, the researcher used open spaces detached from the main operation floor of the microfinance intervention. in addition, staff members were not allowed to interfere with the interview in any way.

There was no indication of unease resulting from interviews been held at the organisation's premises as the respondent freely express negative views on a wide range of issues regarding the intervention. For instance, comments were made with respect to high-interest rates, issues relating to lack of microinsurance facilities, overbearing activities of some group leaders and the lack of appropriate support systems to assist women clients who lose their finance to theft or fire incidents. Although these views were not reported in detail in this these, they have been captured in a forthcoming publication (Nkwocha et al., (2019). Conducting the interviews on the premises of the microfinance organisation also ensured that the opinions of the women were not affected by their husbands or other male household members.

4.8.3 Dominant Voices

Smithson (2000) observed that a common challenge for focus group interviews is how to deal with one or several group member(s) dominating the discussion so that theirs is the only opinion clearly articulated. The researcher encountered this challenge with some of the focus group interviews conducted. In one instance, during the interview, a leader of one of the unions was always attempting to respond to all the questions asked, at other times she would attempt to summarize comments made by other respondents. The researcher felt that this behaviour had to be managed in order to prevent her views overriding the views of other respondents. Also, such behaviour could prevent other respondents from engaging in the group interview and consequently limiting the insights that could have been gained from having differing views on the subject. The researcher tackled this challenge by referring questions to other respondents and by directly appealing to them to contribute to the discussion.

4.8.4 Time and Cost

Due to poor transportation facilities in rural areas, the researchers faced a challenge in locating the respondents and this meant more time was spent. Also, as there was the lack of a baseline data which the researcher could have built upon, the researcher had to employ cross-sectional data for the study instead of the preferred panel date for analysis program effect on service users (Armendariz de Aghion and Morduch, 2005). In addition, due to the large geographical coverage areas of the research (5 states), the researcher found that the cost of the fieldwork required a huge outlay of funds to cover transportation costs, hotel bills, and feeding.

4.9 Secondary Data

To complement the primary data, secondary data was sourced. White (2016) argues that whether a study is qualitative or quantitative, secondary data can be used as supplementary data, for reference purposes, for comparisons and contrasts and to add additional levels of richness to the primary data. There are several sources of secondary information and they include: previous studies, published government statistics, newspapers, organizational brochures, reports, statistical data and the internet. This study sourced secondary data from previous studies, publications and from the Nigerian government, agencies, brochures, and reports from the Better Livelihood Centre.

4.10 Ethical Consideration

Social researchers work within a variety of economic, cultural, legal and political settings, each of which influences the emphasis and focus of their research (Social Research Association, United Kingdom, 2003). By caring about ethics and by acting on that concern we promote the integrity of research (Israel & Hay, 2006). Therefore, it is required to respect ethical issues when conducting research that involves human participation or the use of corporate data by obtaining approval from the institution's Research Ethics Committee (REC) before the commencement of the research; which in this case is Birmingham City University Research Ethics Committee. In line with the above, this research considered the following ethical issues:

Voluntarily informed written consent was issued and collected from respondents before any form of data collection commenced. The researcher began by explaining the research to all participants and informed them of the duration of the interview. Participants were informed of their right to withdraw from the research if they so wished. The researcher adhered to all the ethical guidelines of Birmingham City Business Research and Ethics Committee and that of the microfinance organization visited for field work and kept sensitive information of the investigation in strict confidentiality.

Although all gathered information from research cannot be kept confidential, Crow & Wiles (2009) suggest that researchers can ensure they do not disclose identifiable information about participants and can try to protect the identity of research participants through various processes designed to anonymise them. Similarly, Kaiser (2009) stressed that researchers must collect, analyse and report data without compromising the identities of their respondents. This implies that respondents cannot be identified in the publication and dissemination of the research findings. To ensure confidentiality in this study, the researcher designed questionnaires that did not ask participants to provide personal information such as names and addresses. This helped mitigate issues bordering on the use of personal information. The respondents were also informed about how the data would be used and stored during the duration of the study. In this regard, all data collected from questionnaires through to the interviews were converted electronically and stored in a pass-worded computer. Hard copies of the questionnaires were destroyed on completion of the research.

Initially, the researcher had assessed this study as a low risk given that respondents were non-vulnerable adults. However, during the field work, the researcher observed that the respondents could be victimised by the microfinance organization if found to have contravened the regulations of the credit contract. For instance, respondents could be identified and punished for using the loans for non-business purposes or equally for accessing credit from rival microfinance institutions. Therefore, the researcher excluded all variables that could compromise the identity of the respondents. In addition, respondents were informed that all the raw data provided would be accessed only by the researcher.

4.11 Method of Data Analysis

This part of the chapter is devoted to examining the methods used in the data analysis. A discussion of how the data preparation technique was conducted to clean the data for analysis is first presented. This is followed by a detailed presentation of the variables and indicators of the research, operationalisation, and measurement of impact. The latter part of this Section provides a description and a justification of the analytical technique employed to analyse the quantitative and qualitative data.

4.11.1 Data Preparation

The first step in preparing the quantitative data included double checking the completed questionnaires for mistakes, omissions, inconsistent responses and multiple selections. This process allowed the researcher to screen out and exclude questionnaires that were deemed unsuitable for use. After this process, the remaining questionnaires had fully completed questions, hence were ready for the next phase of data entry. The answers provided in the questionnaires were thereafter coded to enable the data to be analysed using the statistical package for social scientists (SPSS) software. The data entry was conducted by the researcher. The variables were also double checked to ensure that all the required data had been entered correctly. Consistency and validity were tested by undertaking a frequency analysis of the various columns of data to detect whether any spurious Figure s had been entered.

The qualitative data was collected through a tape recording of the views of the respondents. The data was translated and transcribed simultaneously using Microsoft word software and Transcriber-pro software. The software were aiders as the transcription was manually conducted by the researcher. This process was a slow and tedious task (it took over 1 month to complete) but was necessary to ensure that the views of the respondents were well captured. After each transcription, the researcher proofread the transcript to remove typographical errors, mistakes, and omissions that may have occurred. Thereafter, the data was turned into NVIVO software firstly, for coding and categorization into nodes targeted at specific research questions.

4.11.2 Operationalisation of Variables

Operationalisation is concerned with the selection of indicators of a concept that provides a valid and reliable measure of that concept (Manheim, et al., 2008). The precision of the variable operationalisation is vital to ensure that the research findings are valid and adequately address the phenomenon under investigation. This study has drawn indicators from the literature review in order to mitigate the potential problem of having flawed research findings due to poor measurement instruments. In this study, the provision of microfinance is the independent variable. Therefore, the sustained use of microfinance (microcredit, savings, social capital and training) for its intended business purpose could lead to the development of women's entrepreneurship and women economic empowerment (Kabeer, 2010). For this study, women microenterprise growth, entrepreneurial skill development, economic empowerment and social capital development are the dependent variables (see Table 4.3 and Section 4.4 for details).

Table 4. 3 Operationalisation of the Dependent and Independent Variables

Variables	Indicators	Measurement of indicators
Women Microenterprise Growth	• Increase in profit • Increase in sales • Increase in business assets • Increase in labour employment	Ordinal-Likert Scale
Development of Women's entrepreneurship skills	• Communication skills • Self-confidence • Financial Mgt and computational skills • Planning skills	Ordinal-Likert Scale
Women 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 durable assets • 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
Social capital	• Increased support in times of financial crisis, bereavement or celebration • Increased access to useful business information and networks • Increased awareness and participation in social-political events (like sew clothes and pay for membership of social association)	Ordinal-Likert Scale

Table 4. 4 Operationalisation of the control variables

Independent Variables	**Measurement of indicators**
Age of women borrowers	Ordinal data
Marital status	Nominal data
Level of education	Ordinal data
Number of children	Ordinal data
Household Head	Nominal data
Length of time with the programme	Interval data
Loan size	Interval data
Type of microenterprise	Nominal data

In regards to the measurement of microfinance impact, the literature (Kabeer, 2010) suggests that any positive outcome observed from the service users, resulting from sustained access to microfinance services, is considered as the positive impact of microfinance on women borrowers. For instance, if the interest rate is fixed or even reduced and access to microfinance is provided to women borrowers for a continuous period of up to 3 years, any evidence of the aforementioned indicators of women's economic empowerment and entrepreneurial development is considered as a positive outcome of microfinance intervention. This study considers these outcomes as the basis of proof of women's entrepreneurship development and economic empowerment.

4.11.3 Quantitative Analysis: Chi-Square, ANOVA and Ordinal Logistic Regression

Regarding the quantitative analysis, descriptive, inferential statistics were employed alongside ordinal regression analysis. The quantitative data were mainly ordinal and nominal data but for a few which were interval data. The quantitative data were first analysed using descriptive statistics such as frequencies and cross-tabulations. The results from this analysis were relied upon to discuss the socio-demographic and enterprise characteristics of women clients of microfinance. The demographic data analysis was important in identifying factors which promote or constrain female access to microfinance. The study used the Chi-square test and ANOVA analysis to assess the relationship between the variables in view of the study's aim to establish the relationship between the provision of microfinance and women's entrepreneurship development and empowerment. The Chi-square test was first conducted as a preliminary quantitative analysis to investigate the relationship between the dependent variable (women's enterprise growth) and the independent variable (Microfinance services.) Although the chi-square test does not model the determinants or predict the likelihood of an outcome as does the regression analysis, it provides an initial analysis of the existence of the relationships between the variables (see Section 5.6 for further details).

An ordinal logistic regression analysis was employed to analyse the effect of microfinance components on women's entrepreneurship and economic empowerment. The ordinal logistic regression was selected for this study because the dependable variables were ordinal (Likert scale- 'strongly disagree', 'disagree', 'not applicable', 'agree' and 'strongly agree'). Although other statistical techniques such as multinomial and polytomous logistic regression could be used, that would imply ignoring the ordering or ranking of the values of the dependent variable which may lead to loss of inherent information (Norusis, 2010; Bender & Grouven, 1997). Ordinal logistics regression is likely to produce a more reliable and valid result given that it incorporates the ordinal characteristics of the ordinal data in this study. In addition, Elamir & Sadeq (2010) argue that ordinal logistic regression is a preferred method for ordinal categorical data because it is implausible to assume the normality and homogeneity of variance. Although studies (David, 2009) have strongly argued in favour of treating ordinal variables as continuous, with normality properties and constant variance for linear regression, this assumption is most likely to be false and lead to an incorrect analysis (Chen & Hughes, 2004). A very pertinent argument in favour of ordinal logistic regression is the common argument by researchers that the social world is often not fully explained by a single variable. In this regard, ordinal logistic regression enables the researcher to analyse the relationship of one dependent variable with multiple independent variables (women entrepreneurship, economic empowerment and family well-being) to provide greater insights and understanding of multiple and complex social realities. Comparable to other multiple regression techniques, logistic regression allows for the control of the effects of the variables that the researcher is not interested in. This enables the researcher to estimate the magnitude of the unique effect of the independent variables on the dependent variable (Elamir & Sadeq, 2010).

In order to employ ordinal logistic regression, certain assumptions are required to be satisfied. Field (2013) provided a list of assumptions for the ordinal logistic regression: i) Multicollinearity which means that the independent variables should not be strongly correlated, ii) independence of error that creates the problem of over-dispersion in which observed variance is larger than expected from the model, iii) the ordinal regression test must not violate the assumption of the parallel test (the parallel test being significant). The problem of multicollinearity constrains the analysis from distinguishing the effect of an independent variable on the dependent variable, given that two or more independent variables already share information about the dependent variable (Norusis, 2010). Using SPSS, the researcher carried out a multicollinearity diagnosis by computing the variance inflation factor (VIF) and a tolerance value of the predictor variables in a linear regression analysis. Afterwards, no pair of independent variables had a VIF of greater than 10 or a value of tolerance less than 0.1, which indicates no collinearity problems between the independent variables (Field, 2009). The results of the study show that all assumptions of the logistic regression were met (see Section 5.7.1, 5.12, and 5.12.1), thus, it was selected to test the hypotheses of the study.

The ordinal logistic regression is an extension of the linear regression model to accommodate the ordinal response variables. To present the specificity of the ordinal regression model, this study relies on the work of (Field, 2013). While the linear regression model seeks to predict the value of a dependent variable y for an independent (predictor) variable X_1 as seen in the equation below:

$$Y_i = \alpha_0 + \beta_1 X_{1i} + \varepsilon_i$$

Where α_0 is the Y-intercept and β is the coefficient and X is the independent variable and ε_i is a residual/error term. By having ordinal categorical data in this study, the assumption of linearity of the variable for use in the linear regression model is violated. The ordinal logistic model overcomes this problem by using logarithms called logits. In logistic regression, assessments are made by, "predicting the probability of Y occurring given the known values of X's" (Field, 2013, p. 762). Therefore, when there are several predictor variables as is in this study the equation becomes:

$$P(Y) = \frac{1}{1+\varepsilon^{-(\beta_0+\beta_1 X_{1i}+\beta_2 X_{2i}+\ldots\beta_n X_{ni})}}$$

Therefore, in the case of the four hypotheses equation will be:

- ◊ **H1=** Microfinance services have a positive impact on women's microenterprise growth

$$P(\text{Women Microenterprise Growth}) = \frac{1}{1+\varepsilon^{--}(\beta_0+\beta_1\text{membershipyear}+\beta_2\text{age}+\beta_3\text{Householdhead}+\beta_4\text{Educwomen}+\beta_5\text{MicroTra}+\beta_6\text{Loansize}+\beta_7\text{HousHoldEdu}+)}$$

Note: The above model has been operationalised and presented in Table 5.6 and 5.7 (SPSS data).

◊ **H2=** Microfinance services have a positive impact on women's entrepreneurial abilities/skills development

$$P(\text{Women Entrepreneurial Skills development}) = \frac{1}{1+\varepsilon^{-(\beta_0+\beta_1 \text{membershipyear}+\beta_2 \text{age}+\beta_3 \text{Householdhead}+\beta_4 \text{Educwomen}+\beta_5 \text{MicroTra}+\beta_6 \text{Loansize}+\beta_7 \text{NoChild}+\beta_8 \text{FamSytm}+\beta_9 \text{MarStatu})}}$$

Note: The outcome of the above model is presented in Table 5.9 (SPSS data)

◊ **H3=** Microfinance services have a positive impact on women's economic empowerment

$$P(\text{Women Empowerment}) = \frac{1}{1+\varepsilon^{-(\beta_0+\beta_1 \text{membershipyear}+\beta_2 \text{age}+\beta_3 \text{Householdhead}+\beta_4 \text{Educwomen}+\beta_5 \text{N0Childn}+\beta_6 \text{UseofLoan}+\beta_7 \text{Loansize}+\beta_8 \text{InwoEdu}+\beta_9 \text{InchildEdu}+\beta_{10} \text{Inwonutri\&health}+\beta_{11} \text{Inchildnutri\&health}+\beta_{12} \text{Insuppt}+\beta_{13} \text{DecrFamcon}+\beta_{14} \text{Encohusb})}}$$

Note: The outcome of the above model is presented in Table 5.13 (SPSS data)

◊ **H4=** Microfinance services have a positive impact on women's social capital development.

P(Social Capital)

= 1

$$1+\varepsilon^{-(\beta_0+\beta_1 membershipyear+\beta_2 age+\beta_3 Householdhead+\beta_4 Educwomen+\beta_5 N0Childn+\beta_6 UseofLoan+\beta_7 Loansize+\beta_8 InwoEdu+\beta_9 InchildEdu+\beta_{10} Inwonutri\&health+\beta_{11} Inchildnutri\&health+\beta_{12} Insuppt+\beta_{13} DecrFamcon+\beta_{14} Encohusb)}$$

Note: The outcome of the above model is presented in Table 5.16 (SPSS data). Further explanation of the operationalisation of the logistic regression models is presented in Section 5.7.

4.11.4 Qualitative Analysis:

The qualitative data analysis was informed by Connolly's (2003) three stages of qualitative data analysis. The generating phase, the interpretive phase, and the theorising phase were the three stages employed in this study. The generating phase was the first and second level analysis of the qualitative data: the first level analysis involved exploring the data to generate a list of the meaning and open codes whilst the second level analysis was concerned with the synthesising of the data by developing themes and sub-themes based on the research questions. It was at this stage that new emerging themes were identified even though some were not related to any of the research questions. Irrelevant themes were excluded and stored separately for future use. The interpretive stage involved the translation of the themes into conceptual categories. The patterns and relationships between themes and sub-themes were identified and linked together. This was followed by a re-examination of the categories by comparing them one last time with the data and the initial themes. Re-examination of the categories increases the grounded validity of the findings – or in other words, ensures that the findings are, indeed, grounded in the data (Connolly, 2003). The qualitative and quantitative data were synthesised together and interpreted in the theorising stage using directed content analysis. Hsieh & Shannon (2005) contend that directed content analysis is appropriate to use when "exit ing theory or prior research about a phenomenon that is incomplete would benefit from further description," with the goal "to validate or extend conceptually a theoretical framework or theory” (Hsieh & Shannon, 2005, p.1281). Therefore, because the present study seeks to investigate the transferability or generalizability of previously developed conceptualised phenomenon (microfinance) from one context (Bangladesh) to another context (Nigeria), it has used directed content analysis method (Hsieh & Shannon, 2005).

4.12 Conclusion

This chapter provided the research methodology, the procedures used in conducting the research, and the justification of the field research. During the fieldwork, it was evident that the data collection process goes beyond knowledge gathered in academics: it involved being able to negotiate field access; assess and mitigate issues and being attuned with the culture and perspectives of the local participants involved in the research. Being a Nigerian citizen who understands the different cultural persuasions among various ethnic groups was critical at assisting the researcher to navigate through cultural difficulties. It is worth mentioning that the researcher had to adopt new data collection strategies when faced with the realities in the field.

The research investigation was carried out in 10 communities across 5 states in Nigeria. The study collected 390 questionnaires (see questionnaires in Appendix B) including 40 defects for the quantitative analysis. For the qualitative aspect of the study, 11 focus group interviews were conducted with 203 women microfinance clients. This was followed by an in-depth interview with 28 staff members of the Better Livelihood Centre. Directed content analysis was used to analyse the qualitative data after the data was prepared using NVIVO. The quantitative data were analysed using frequency Tables, cross-tabulations, Chi-square, ANOVA and Ordinal regression analysis. The analysis of both the quantitative and qualitative data and its findings are presented in the next chapter.

CHAPTER FIVE

MICROFINANCE IMPACT ON WOMEN'S ENTREPRENEURSHIP AND EMPOWERMENT

5.0 Introduction

This chapter provides an analysis and discussion of the findings that emerged from the quantitative and qualitative data gathered from the field study. To analyse the data, statistical and qualitative methods were used to analyse the multidimensional aspects of microfinance's impact on female entrepreneurial development and empowerment. The SPSS package was used to analyse the quantitative data with a view to gaining an insight into the relationships between microfinance and women's entrepreneurial development and empowerment. Content analysis was then used to triangulate the quantitative and qualitative data to explore the nature of the relationships between the dependent and independent variables employed in the research. The findings of the analysis enabled the study to answer the research questions and to accept or reject the hypotheses, thereby realising the aims and objectives of this microfinance impact investigation (see Chapter 1). The chapter is organised as follows: (1) profile of micro-entrepreneurs (2) profile of microenterprise (3) analysis of MF and women's entrepreneurship (enterprise growth); (4) analysis of MF and women's entrepreneurship (entrepreneurial skill development); (5) analysis of MF and women's empowerment (6) analysis of MF and women's social capital development; (7) design of microfinance ecosystem (model) and (8) conclusions.

5.1 Background of Better Livelihood Centre (BLC)

To examine the impact of microfinance on women's empowerment and entrepreneurship, a microfinance provider known as the Better Livelihood Centre was investigated. The Better Livelihood Centre is a Non-Governmental Microfinance Organization (NGO) which was established in December 2006 and registered with the Corporate Affairs Commission (CAC) of Nigeria. The Better Livelihood Centre has undertaken a moral objective to address the near absence of financial services to the large population of economically active poor women engaged in micro trading and micro productive activities in many parts of Nigeria (Better Livelihood Centre, 2016). with headquarters in Lagos Nigeria, the Better Livelihood Centre is the second largest non-bank microfinancing provider in Nigeria both in terms of client outreach (617,509 active savers) and portfolio size ($112.40M) (MIX, 2016; Better Livelihood Centre, 2016). The Better Livelihood Centre operates in 23 states spread across Nigeria including the federal capital territory (Abuja). With a workforce of about 2,863 people and over 500 branches, the Better Livelihood Centre has within its first decade of operation served a total of 4,787,957 clients (Better Livelihood Centre, 2016). As of the time of the field work, the Better Livelihood Centre had over 52,000 groups with memberships ranging from 8 to 20 members each.

5.2 Descriptive Analysis: Profile of Women Microentrepreneurs

This Section explores the profile of women entrepreneurs and their enterprises using quantitative and qualitative techniques, on both the qualitative and quantitative data collected from 10 suburbs across five cities (Lagos, Imo, Edo, Kwara, Oyo) in Nigeria. Given that the research is focused on women's empowerment and entrepreneurial development, female microfinance borrowers formed 100 per cent of the respondents from the service user side (demand side) of microfinance. Therefore, questions regarding gender were not administered. The demographic profile of 350 respondents included age, marital status, number of children, family system, family head, education of women and their family heads were analysed and described hereafter.

5.2.1 Age

Table 5.1 compares the field survey data on the age of women microfinance borrowers and their membership of a Microfinance NGO. The results obtained show that the respondents between the ages of 40 to 49 years old were the majority (37.4%) surveyed in this research. Women borrowers between the ages of 30 to 39 came in second place at 25.7 per cent, whilst those between 50 to 59, 18 to 29, and 60+ years account for 20.6 per cent, 13.4 per cent, and 2.9 per cent respectively. This result indicates that cumulatively, women between the ages 30 and 49 accounted for over 60 per cent (63.1%) as opposed to 18-29 (13.4%) which clearly suggest that microfinance may prefer individuals in their mid-thirties as opposed to younger clients (under 25 years). This finding is supported by evidence from the literature. In a similar study of microfinance in Kenya, Kodongo & Kendi (2013) found that microfinance institutions avoided younger clients (18-29) because they were considered to lack business experience and the expertise to effectively invest credits in business activities. Furthermore, the authors suggested that individuals between the ages of 30-49 are assumed to have acquired useful business experience hence, should present a lower default risk to microfinance. Reinke (1998) argues that younger borrowers have a higher chance of seeking for and finding other better employment opportunities than older people, thus younger clients do not rely heavily on microfinance supported businesses and therefore, are more likely to default on repayment. Using a data set of microfinance borrowers operating agricultural projects in Nicaragua, Dorfleitner et al., (2017) found that older borrowers usually have experience with growing crops and handling external adverse conditions, whilst, younger clients were found to increase the probability of loan default. Therefore, older clients are likely to have enhanced business experience, discipline and commitment to the funded business which could have a risk-reducing the effect (Van Gool, et al., 2012).

Table 5. 1 Profile of women borrowers

Variables	**Items**	**Count**	**Percentage**
Age of respondents	18-29	47	13.4%
	30-39	90	25.7%
	40-49	131	37.4%

	50-59	72	20.6%
	60+	10	2.9%
	Row Total		100.0%
Marital status	**Married**	259	74.0%
	Single	18	5.1%
	Divorced/Separated	21	6.0%
	Widowed	52	14.9%
	Row Total		100.0%
Number of children	No Children	14	4.0%
	1-2	97	27.7%
	3-4	118	33.7%
	5-6	67	19.1%
	More than 6	54	15.4%
	Not Applicable	0	0.0%
	Row Total		100.0%
Family system	**Nuclear Family**	288	82.3%
	Joint Family	62	17.7%
	Row Total		100.0%
Main decision maker in the family	Yourself	72	20.6%
	Husband	253	72.3%
	Father/Father in Law	15	4.3%
	Mother/ Mother in Law	10	2.9%
	Others (please specify)	0	0.0%
	Row Total		100.0%
Education level of women borrowers	**No qualifications**	156	44.6%
	Primary	124	35.4%
	Secondary	36	10.3%
	Professional Certificate	13	3.7%
	Business Certificate/Diploma	3	0.9%
	Bachelor's Degree	3	0.9%
	Master's Degree	0	0.0%
	Vocational qualifications	15	4.3%
	Not applicable	0	0.0%
	Row Total		100.0%
The education level of Husband/Family Head	**No qualifications**	101	28.9%
	Primary	84	24.0%

	Secondary	47	13.4%
	Professional Certificate	0	0.0%
	Business Certificate/Diploma	6	1.7%
	Bachelor's Degree	35	10.0%
	Master's Degree	2	0.6%
	Vocational qualifications	3	0.9%
	Not Applicable	72	20.6%
	Row Total		100.0%

Source: Author, (2018)

5.2.2 Marital Status

The results in Table 5.1 show that close to three quarters (74 per cent) of the women borrowers surveyed are married; representing 259 out of the total sample size of 350 women borrowers that were surveyed using a questionnaire. Considering the remaining 91 respondents, 52 accounted for women borrowers who were widowed (14.9 per cent), 21 of them were divorced (6.0 per cent) and 18 were single (14.9 per cent). Married women in Nigerian society, especially those living in rural and impoverished communities, rely on their male spouses for their livelihoods. Most often, their husbands are responsible for the welfare of the household which includes payment of rent, children's school fees as well as householder durables with a negligible financial contribution from the women. However, women who are single, widowed or divorced are responsible for such expenses and, therefore, participation in microfinance enables them to independently build their asset base. In addition, the financial independence of married women has implications on their contribution to household expenses and possibly increases their resources control and utilization capacity.

5.2.3 Number of children

Having shown in Section 1.22 that most of the women borrowers surveyed were married, the data links closely with the data presented in Table 5.1 which shows that most of the respondents have childcare responsibilities as 118 of them (33.7 per cent) have 3 to 4 children. 27.7 per cent of the women indicated they have 1 to 2 children, 19.1% of the women have 5 to 6 children, 15.4% claimed they have 6 children and above, whilst 4 per cent of the surveyed women were without children. In addition, 288 of the surveyed women borrowers accounting for 83.3 per cent of the respondents claimed they were living in a nuclear family, whilst 62 (17.7 per cent) indicated they were living in a joint or extended family. The results show that most of the women entrepreneurs have children, thus carrying out child caring responsibilities as well as running their business enterprises. Since most of the women have 3-4 children, it could be inferred that that majority (118 or 33.7 per cent) of the participants are expected to devote a large chunk of their income to carter for the upkeep (children health care, education and feeding) of their large family. These household welfare costs are significantly less or non-exit ent for women who have no dependents. Therefore, the size of the family could provide indications of how and where women spend their income. More so it hints on women extra responsibilities of childcare in their household.

5.2.4 Main Family Decision Maker

The results presented in Table 5.1 regarding the main family/household decision maker shows that 72.3 per cent (253) of all the women borrowers surveyed claimed their husbands were the main decision-makers in their household. This is practical because most women reside in male headed-households and their dependency on the male household head further explains the extent of disempowerment and vulnerability. Evidence from the literature (Acharya, et al., 2010) suggests that women's autonomy in decision making is stifled when they reside in male-headed households. This should not be misconstrued to mean that the feminization of household heads is advised for women's empowerment, however, it suggests that cultural norms in most developing countries including Nigeria, ensure that men dominate in their households through control of economic resources and household decision making. Table 5.1 also shows that 20.6 per cent of the women borrowers claimed they were the main decision-makers in the family. Most of these women decision makers are either divorced or widowed. Although most of the married women had mentioned that their husbands were the main decision maker, they also stressed that they do contribute to some decision making, especially in relation to family upkeep. 4.3 per cent and 2.9 per cent of the women indicated that their father/father-in-law and mother/mother-in-law respectively were the main decision-makers in the family. Most of the women in this category are those who were living with their extended/joint family.

5.2.5 Education Level of Women Borrowers and their head of the family

The data obtained on the analysis of women borrower's level of education (Table 5.1) showed that about half 44.6 per cent (156) of the women borrowers had no formal education and no business management training compared to 28.8 per cent of their family male head with no formal education. Only 10.3 per cent of the women had completed GCSE-O level and 0.9 per cent had completed their bachelor's degree compared to their family heads with 13.3 per cent having completed their GCSE-O level and 10 per cent had completed their bachelor's degree. Therefore, the family heads have relatively more school education than women borrowers. The level of education is a key determinant of whether an individual join a microfinance intervention or not. In Nigeria, people with higher levels of education (degree and above) are often inclined to join the formal sector whilst those with lower levels of education mostly engaged in the informal sector. Therefore, the result of the current study which shows that majority of the women 44.6 per cent (156) are uneducated, suggests that the participants are more likely to operate in the informal sector (see Section 5.2.3 for further details), thus, are in a position to participate in microfinance programmes. The result also shows that there is a disparity in the level of education between women and men. The findings of this study are in line with previous studies which suggest that the education disparity between men and women in Nigeria creates barriers to female's access to formal jobs and networks that could improve their livelihoods (Ezeliora & Ezeokana, 2011; Mercy (2017).

5.3 Profile of the Women Microenterprises

As mentioned earlier (Section 5.1), 100 per cent of the respondents are women entrepreneurs who have either invested in new enterprises or are expanding existing microenterprise. This Section provides details of the enterprise of the women borrowers who have completed the questionnaires. **Table 5.2** below shows the analysed quantitative data that was collected on microenterprises' ownership structure, size, and their number of years of operation, the source of capital, use of microfinance and the nature of the business they conduct.

5.3.1 Size of Microenterprise

In line with the literature, the sizes of the 350 microenterprises operated by the women surveyed were determined based on the number of employees they currently employ. Microenterprises with less than or equal to three employees (≤3) are categorised as the lower level and those with more than three employees (>3) are categorised as upper-level microenterprises. **Table 5.2** shows that 70.3 per cent of the women run their enterprises by themselves whereas 29.7 per cent of the enterprises, employed less than under 2 employees. This clearly indicates that all the microfinance enterprises fall under the lower level. Out of the respondents having employees, only 27.1 per cent were women employees. This implies that despite women being employers of labour, women are still not having adequate opportunities in employment. The data from **Table 5.2** also indicates that 53.1 per cent of the enterprises surveyed has unpaid employees; usually, their relatives/family members who often step in to support their business.

5.3.2 Ownership Structure and years of microenterprise operation

Data on the ownership structure and the number of years of microenterprise operation was collected from 350 women microfinance borrowers (Table 5.2). From **Table 5.2** below, 91.4 per cent of the surveyed women entrepreneurs operate a sold trader enterprise, whilst only 8.3 per cent engaged in partnership enterprise. Most of the women entrepreneurs (91.7%) own 76 to 100 per cent of the enterprise. This clearly suggests that most of the women run their own ventures. Regarding the number of years of operations, the women borrowers were put into two categories for the purpose of analysis; those that have been operating for less than three years (≤3 years) and those that have operated for more than four years (≥4 years) were separated into two different groups. Data from Table 5.2 shows that 50.6 per cent of women entrepreneurs have been in business for less than 3 years and 43.7 per cent have had 4 years and above of experience in running their microenterprises.

Table 5. 2 Descriptive statistics of the profile of Women's enterprise

Variable	Item	Count	Percentage
What is the ownership structure of your business?	Not applicable	0	0.0%
	Sole Trader	320	91.4%
	Partnership	30	8.6%
How long have you spent in your business?	Not applicable	0	0.0%
	Less than 1 year	0	0.0%
	1-2 years	0	0.0%
	3-5 years	177	50.6%
	6-10 years	153	43.7%
	More than 10 years	20	5.7%
What is your per centage of ownership in the business?	Not applicable	0	0.0%
	1-25%	0	0.0%
	26-50%	23	6.6%
	51-75%	6	1.7%
	76- 100%	321	91.7%
What form of business do you do?	Not applicable	0	0.0%
	Manufacturing	17	4.9%
	Services	65	18.6%
	Trading	268	76.6%
	Other	0	0.0%
How many people do you employ?	Only myself	246	70.3%
	One	104	29.7%
	2-3	0	0.0%
	4-5	0	0.0%
	6-10	0	0.0%
	More than 10	0	0.0%
Do you employ women?	No	39	11.1%
	Yes	95	27.1%
	Not applicable	216	61.7%
Do you use unpaid fam/relative service?	No	164	46.9%
	Yes	186	53.1%
	Not applicable	0	0.0%
What was your start-up capital source?	Not applicable	0	0.0%
	Self-funded	192	54.9%
	Loans from friends, family or neighbours	106	30.3%
	Loans from landlord or moneylenders	0	0.0%

	Loans from Commercial Banks or Financial Institutions	0	0.0%
	Loans from microfinance providers--- e.g. Better Livelihood	52	14.9%
What areas do you spend the MF loan?	Not applicable	0	0.0%
	Purchase of equipment or assets for business	135	38.6%
	Purchase of raw material	166	47.4%
	Initial operating cost cash flows	41	11.7%
	Hiring of labour	0	0.0%
	To clear business debts	8	2.3%
	Others	0	0.0%

Source: Author, (2018)

5.3.3 Nature of Business

As showed in **Table 5.2** above, 76.6% (268) of the women are involved in trading activities, running businesses involving food items and non-food items. Women engaged in selling food items are involved in the sale of foodstuff, cooked/baked food, drinks, confectionery, fruits and vegetables. Non-food items include the sale of clothing, cosmetics, toiletries, handbags and sachet water. The women conducted their trading either door to door, in a shop or through their personal contacts like neighbours, friends and family, purchasing the goods. 18.6 per cent of the women is engaged in the service sector, providing services like beauty salons, tailoring, cooking for hotels and event management. 4.9 per cent of the women indicated that they are engaged in the manufacturing sector; making palm oil, soaps, footwear? and garments. The products manufactured are handmade or made with the help of locally made machinery.

The results indicate that the repayment system may have impacted women's choice of business. Having to repay loans on a weekly basis implies that women borrowers had to engage in highly liquid businesses that could generate steady revenue. Petty trading is considered less risky and highly liquid as it involves the sale of daily household consumables such as food, clothing and toiletries which even the poor may find it difficult to do without. This seems to explain why 76.6% of the women were engaged in petty trading activities compared to 4.9% in manufacturing. It could also be the case that due to the pressure to meet weekly repayments, women borrowers shy away from businesses that could yield higher profits but have long gestation periods. Although the literature suggests that most poor people are engaged in agricultural activities, the author found that most of the borrowers were not involved in farming or other nomadic activities that are prone to seasonal shocks. This is because seasonal activities limit the women borrowers' ability to maintain a fluid weekly repayment schedule required to ensure continual access to microfinance.

5.3.4 Source of Capital and Use of Microfinance Credit

From **Table 5.2** that the study found that 54.9 per cent of the surveyed women claim they sourced their business capital from personal savings or income, 30.3 per cent relied on loans and contributions from friends and family members, whilst only 14.9 per cent of the women raised capital through microfinance providers. This implies that despite the presence of microfinance services, most women are still unable to raise start-up capital from microfinance. This may not be unconnected with the mission of most microfinance providers to focus on only providing loans to the economically active poor (already in business) and those with business running experience. Regarding the use of microfinance, 47.4 per cent claimed they use microcredit for the purchase of raw materials (stock and inventory of goods) and 38.6 per cent used theirs for the purchase of equipment or assets for the business. Only 11.7 per cent of the women claimed they employed their loans to run their business (debt and payment settlements). Women involved in trading would require a medium to a high level of inventory and stock of goods, those in the services and manufacturing sectors would require equipment and assets and thus they channel their microfinance resources to address those business needs.

5.4 Results from the face–to-face interviews

5.4.1 Why are Women the Main Target of The Microfinance NGO

The Better Livelihood Centre offers microfinance services to women clients alone. Many microfinance providers (Grameen Bank, BancoSol and Finca) choose to target women for reasons that are well documented in the literature. The most prominent rationale for targeting women is to tackle the gender equality gap that exits in most developing countries. For instance, the United Nations (2015) report argues that lower proportions of women than men have their own cash income from labour because of the unequal division of paid and unpaid work in most developing countries. In addition, Jayachandran (2015) argues that many developing countries have statutory and customary laws (discrimination in assets ownership and decision making, compounded by limited labour mobility due to family responsibilities) that exacerbate favouritism towards men. Kehler, (2013) and Cheston & Kuhn, (2002) have argued that the cultural, social and economic exclusions faced by women in developing countries ensure that women are further down the poverty pyramid than their male counterparts. To understand the contextual dynamics, the researcher sought to determine the rationale for focusing on women alone. The interviewees (microfinance staff) were asked to explain the organisation's rationale for targeting women. The following quotes from three microfinance employees capture their thoughts:

Interviewee number MF1:

"Our vision is to empower women, we believe that women feel more concern for the well-being of their children, hence when we empower them we empower their family".

Interviewee number MF2:

"Our mission is to empower women, to help them overcome many challenges that they face. For instance, our culture relegates women in this society and that places barriers to women resourcefulness".

Interviewee number MF3:

"we give loans to women because we believe that when a woman is empowered the home is empowered because every woman wants to make sure their child has good nutrition, goes to school and can access good healthcare".

The first quote, MF1, suggests that women are targeted by microfinance to facilitate the process of empowering women who usually experience disadvantages because of their gender. This assumption of women's empowerment through microfinance is supported by the literature. In a recent study of 220 microfinance borrowers in Bengal (India), Datta & Sahu (2017) found that microfinance promoted the psychological, economic and social empowerment of women borrowers of the selected district. Using logistic regression analysis, Rahman et al., (2017) investigated the impact of microfinance on women's empowerment in Bangladesh and discovered that women's involvement in microfinance led to a greater role in decision making regarding decisions on children education, medical treatment, buying household food items and participating in extra-curriculum activities. In Malaysia, Al-shami et al., (2017) employed a cross-sectional survey of 474 old and new clients of microfinance and found that microfinance improved women's monthly income and increased their household decision making regarding mobility, daily expenditure, children's schooling, health expenditure and loan order decision. However, it is worth noting that microfinance's progress in empowering women is consistently limited by the socially embedded and seemingly intractable customary structures that perpetuate gender inequality in many developing countries (Yeboah, 2010).

The second quote, MF2, suggests that targeting women with microfinance services could lead to the improvement of the living conditions of their households. This idea is predicated on the assumption that women are more affectionate and empathetic to their families, thus, more likely to spend their income on improving the wellbeing of their family especially their children. Empirical studies support the above argument that poor households benefit more from women's earnings than men's. For instance, Ledgerwood (1999) reports that households benefit to a far greater extent with an increase in women's income than a proportionate increase in men's earnings. In a study of the Grameen Bank in Bangladesh, Khandker (2003) estimated that microfinance contributes to household consumption at the rate of 18% for lending to females and 11% in the case of male borrowing. Women have also been observed to spend more of their earnings on children's education and healthcare. Kabeer (1999) found that the children of women microfinance borrowers were more likely to be at school than children of male borrowers of the same intervention. Further evidence of the household benefits of women's income is provided by Haile, et al., (2012) who found that increased women's income benefited their children, especially regarding diet, education, health care and clothing. On the contrary, there was evidence to suggest that microfinance promotes young girls' employment in family business instead of enrolling them in school (La Rocque, 2015).

It was also argued that women were considered for microfinance because men were unappreciative of the smallness of the loan size. The interviewed staff of the microfinance NGO claim that with such a predisposition, men seem psychologically ill-equipped to make good use of microcredit. It was also suggested that men could be frivolous in their spending of small amounts compared to women. In this regard, the following responses from three respondents capture the emerging narratives:

"The reason is that if you give these women ₦60, 000, they will make good use of it, men consider the loan size too small. Also, men can easily miss-use money on drinks and their girlfriends".

Interviewee number MF4:

"Men would say our loans are too small. We believe that women are good managers and can also utilise loans no matter how small".

Interviewee number MF5:

"We focus on women because we understand the culture of our society and the way it works. The monies we offer are not large sums, eh hmmm, our first stage loan size is ₦60, 000 and a man that you give that amount may find it too small to help them in their business".

The above findings suggest that women are better users of small loans than men, other authors put forward an opposite argument, suggesting that women are more likely to accept a smaller loan size due to their risk-averse nature compared to men (D'espallier, et al., 2013), and more so, Agier and Sfafarz, (2013) argue that smaller loans may be offered to women due to discrimination. However, evidence from the literature suggests that targeting women is not unconnected to the need for the efficiency and sustainability of microfinance institutions. The Grameen Bank is one of the first microfinance institutions to experiment with women was originally focused on men. Recounting their experience, Armendariz and Morduch (2005) contend that the Grameen shifted their focus almost entirely on women (95 % of clients) in the early 1980s because they showed better repayments and loan loss records than men. Generally, it seems that a growing emphasis on focus on women's enterprise microfinance interventions since the 1990s has been inspired by evidence of high repayment rates. A study in Malawi (Hulme, 1991) found that women accounted for

92% of timely repayments against that of 83% for men within the same microfinance intervention. Similarly, in a recent study D'espallier et al., (2011) analysed a global data set of 350 MFIs across 70 countries and revealed that a higher percentage of female clients in MFIs is associated with a lower portfolio risk, fewer write-offs, and fewer provisions. Thus, universally the focus on women for efficiency and financial sustainability is gaining increased acceptability amongst microfinance programmes.

Apart from good repayment records and financial sustainability, women are targeted by microfinance for their cooperative behaviour and subtle demeanour. The interviewed staff of the microfinance NGO claimed that women are subtle to deal with rather than men who could be aggressive under certain situations such as loan drive (loan default recovery). It is worth noting that this is merely a perception, as most of the staff have not had an official experience in dealing with men since 100% of the NGO clients are women. The following response from one credit officer highlights the emerging narratives:

Interviewee number MF6:

"There are certain challenges we face in the group, women are subtle to deal with, but men can be very harsh and violent. Secondly, men are more aggressive when they default, for instance, they may want to fight us if we insist on recovering the loan".

The above comment suggests that women are perceived by credit officers to be more patient, understanding and easier to work with than men. The findings of this study are supported by the literature. Cheston & Kuhn, (2002) and Hartmann-Wendels et al., (2009) contend that microfinance interventions run efficiently because women are less disruptive and much more likely to engage in cooperative behaviour. Furthermore, Armendariz de Aghion & Morduch, (2005) argue that women are more likely than men to self-select into microfinance intervention with attached preconditions such as the receipt of small loans, training sessions, weekly meetings and joint liability. Thus, this argument may hold true in the study's context especially given that the NGO primarily employs the group lending (joint liability) model to deliver microfinance services.

Lastly, other emerging narratives from the qualitative interviews with microfinance staff suggest that the short gestation periods and quick returns common with women businesses makes them more attractive to microfinance (see also Section 5.2.3). In addition, due to their domestic responsibilities, women are less mobile, implying that the costs of monitoring them are low. More so, it was highlighted that women are more scared of social sanctions (stigma of default) which makes them more risk averse than men and they are more careful about their investment choices. This makes debt repayment easier to meet and overall makes women better customers of microfinance. The following quotes from interviewees capture these narratives:

Interviewee number MF7:

"I think we focus on women because they are often engaged in petty trading, hence our small loan is very suitable for them. Our loan is also very suitable for people that are involved in buying and selling daily, selling food items like rice, pepper etc. our loans are paid on weekly basis, so if a person is not involved in daily sales they will not be able to repay the loans".

Interviewee number MF8:

"For me, we prefer women because women are more stable in terms of their residence but men can easily relocate and run away with our money. Men also feel the loan size is too small for them to utilise it".

Interviewee number MF9:

"Because they live close to each other, they are easily ashamed of going through the stigma of defaulting and tarnishing the reputation of their family, so we prefer women to men".

The first argument from the above quotes regarding the fast turnover rate of women businesses being a reason for microfinance interest in women is confirmed by previous studies. Johnson, (2004) argues that women's business activities often generate a quick turnover, making them easily adaptable to the weekly repayment demands of most MFIs. In contrast, men, especially in rural areas. are mainly involved in seasonal and risky activities such as agriculture which are a poor fit to the microfinance frequent repayment model (Morvant-Roux, 2011). The findings of the qualitative interviews are validated the quantitative survey (see Table 5.2.3) which indicates that 76.6% (268) of the women clients of the microfinance programme were engaged in trading which involves: the daily buying and selling of food and non-food items. By so doing, women can meet the weekly repayment plans with less difficulty, thus significantly improving repayment rates (D'espallier, et al., 2013). Furthermore, Armendáriz & Roome, (2008) argued that women's domestic attachments to their families ensure that they conduct their business in close proximity to their residence, thus, reducing the information and monitoring costs of microfinance institutions. Another argument from the literature suggests that women may have a higher repayment incentive due to their appreciation of the imbalance of credit opportunities which favour men (Armendáriz & Morduch, 2010).

5.4.2 Targeting the Less Poor or the Poorest of the Poor

Ascertaining the specific economic profile of the targeted women clients was important especially against growing concerns of mission drift in microfinance programmes. As explored in the literature review chapter (Section 2.2), many scholars of microfinance argue that the rising commercialisation of microfinance may lead to "mission drift", in which MFIs shift focus from the poorest because it is more profitable to serve wealthy clients (Beisland, 2018; Abrar & Javaid, 2014; Saxena, & Deb, 2018). Targeting the poorest of the poor is considered a burden to microfinance efficiency and sustainability, which could increasingly lead to the exclusion of the very poor and most financially vulnerable. Against this background, the researcher quizzed Microfinance staff on the economic profile of their clients and the reasons why such groups are targeted. The in-depth qualitative interviews with microfinance staff indicate that the NGO targeted mainly women who may be considered as less poor. This narrative is clearly articulated in the mission statement of the microfinance NGO which reads *"To empower the economically active poor by taking a range of tailor-made microfinance services to their doorstep using globally tested best practice methodologies".*

To deconstruct the concept of the "economically active poor", the interviewed microfinance staff were asked to provide an explanation. Responses from two staff provided the following descriptions:

Interviewee number MF10:

"The economically active poor are poor women engaged in microeconomic activities before joining us (microfinance). They are not idle people".

Interviewee number MF11:

“The economically active poor women are people that are involved in micro businesses but do not have access to finance for their business growth and expansion”

These responses above indicate that the economically active poor are women who are already engaged in some form of microenterprise or business activity prior to joining microfinance. Furthermore, because the women are able to initiate and run business activities prior to joining microfinance, this suggests some low-level access to informal finance and assets, thus indicating that they are unlikely to fall into the bracket of the poorest of the poor. The idea of the active poor as presented above aligns with those views expressed in the literature review chapter (2.4) which suggest that the active poor consists of poor individuals who are engaged in micro productive activities but who lack access to formal finance for their business activities (Vandenberg, 2006). Biewen, (2014) argues that the active poor (transient poor) are those who often fall into and out of poverty due to changes in family structure (divorce, marriage, birth of a child, formation of a new household), labour market-related changes (number of workers in the household, unemployment), and major changes in income components (capital income, labour income, and public transfers). A more succinct description is provided by Hulme & Arun (2009) who describe the economically active poor as a broad category, ranging from households barely above extreme poverty to those about to enter the middle-income group. Therefore, it could be argued that even though the economically active poor are unbanked and financially excluded, they are less poor than the poorest of the poor. The trend of targeting less poor clients by MFIs is not constrained to a particular region. In a recent study in Ghana, Amoako et, al., (2017) observed that microfinance institutions focused primarily on the economically active poor as opposed to the poorest of the poor. Similarly, two empirical studies conducted in Bangladesh (Chemin, 2008) and Pakistan (Ghalib, 2010) reported that microfinance institutions are attracted to wealthier clients whilst ignoring the poorest and more vulnerable clients. Ghalib (2010) contends that since microfinance initiatives by nature and design rely on employs a targeting mechanism, the decision to target either the less poor or very poor is usually a deliberate policy. This argument holds true for the present study as the in-depth interviews suggest that from the outset, the microfinance NGO had set out to primarily target the economically active poor women.

To gain deeper insights into the rationale for microfinance preference for active poor clients, a range of follow-up questions were asked regarding why non- active poor people were not included in the intervention. The responses from a member of staff capture the emerging narrative:

Interviewee number MF5:

"Idle poor won't be able to make use of the money because the process of starting up may expend all the capital needed to do the actual business. For instance, if a borrower wants to trade, she will first purchase items like Tables, rent a space, transportation and even feed herself etc and these will reduce the capital to put into the actual business. That is why we focus on active poor that already own microenterprises".

The above quote suggests that non-active poor women may find it difficult to effectively utilise microfinance due to the smallness of the loan size. The emerging narrative argues that the initial small loan size may not be sufficient to cover the cost of business start-up, whilst also allowing the microentrepreneur to acquire stocks for trading activities. Therefore, the high cost of business start-up makes it prohibitive for microfinance programmes to include non-economically active women in the intervention. The above argument lends credence to Hulme and Shepherd (2003), who both argue that microfinance targets the economically active poor because they are the ''easy to assist poor''. They stressed that since the economically active poor constitutes individuals who are already engaged in productive activities, they can be easily targeted with microfinance and benefit from such access. The argument here suggests that microfinance prefers to lend to "going concerns" because such credits could directly be invested into income-generating activities of the business such as purchasing inventory as opposed to business start-up expenses such as shop rent, business registration, and purchase of furniture, fixtures and fittings etc. which do not directly generate income. Therefore, even though the cost of lending to women could be high due to small loan size and group lending method (D'espallier, et al., 2013), focusing on less poor women could significantly reduce the risk.

Louis et, al., (2013) argue that the diversity among MFIs in terms of their nature (NGOs, commercial microbanks and cooperatives) and regional contextual difference makes it difficult to report conclusive results on the rationale behind client targeting.

This argument is supported by the findings of D'espallier, et al., (2013) who observe that lack of subsidy affects MFIs' social performance differently across regions. For instance, African and Asian MFIs were found to compensate for non-subsidization by charging higher interest rates, in Eastern Europe and Central Asia, unsubsidized MFIs find it more suitable to target less poor clients, whilst unsubsidized Latin American MFIs tend to reduce the proportion of female borrowers. In the study context, the in-depth interviews reveal that less poor women may have been targeted because the microfinance NGO was non-donor dependent. The following response from a senior member of staff of the NGO captures the emerging narratives:

Interviewee number MF2:

"well because we as an organisation that borrow our funds from commercial lenders, we wouldn't like to consider the poorest like those who sit on the roadside and wait for handouts. We serve people that are able to invest these loans and make profits, so we are able to recover the loans".

The above quote suggests that in seeking to be financially sustainable, the microfinance NGO finds it suitable to target the less poor. Clearly, microfinance providers feel more pressure to mitigate the risk of loan default when they are unsubsidised or debt dependent. This makes them initiate stringent loan criteria that are often unmet by most of the poorest of the poor. Similar findings, from previous microfinance impact studies (Nawaz, 2010; Adjei & Arun, 2009) suggest that the quest for financial sustainability shifts MFIs' focus to the less poor clients. Although some studies (Khandker, et al., 2010; Louis, et al., 2013) suggest that there is no trade-off between the microfinance pursuit of financial sustainability and outreach to the poorest of the poor, Cull et al., (2007) and Hermes et al., (2011) hold contrary arguments. In a broad study of 124 MFIs across 49 countries, Cull et al., (2008) found that MFIs who aim to become or are financially sustainable, focus on granting larger loans and thus target less poor clients. Their findings are supported by Hermes et al., (2011) who investigated 435 MFIs and found evidence of a negative correlation between outreach to the poorest and financial sustainability.

The study confirms that microfinance initiatives relying on debt finance are more likely to focus on the active poor due to the pressures of financial sustainability and the obligation of debt repayment to commercial lenders. The study found that the repayment potential of borrowers and a perception that the poorest are incapable of utilising resources are the underlining factors that drive the isolation of the poorest in microfinance interventions. The former is more concerned with reducing the incidence of bad debt thought to be more likely with the idle poor, whilst the latter is fuelled by an ideological standpoint that considers the poorest as unsuitable for financial assistance. Therefore, given that by default, microfinance intervention is designed to exclude the poorest of the poor, this study agrees with (Navajas, et al., 2000) that unless there is a deliberate targeting, the poorest will either be missed out or they will exclude themselves because they will perceive the intervention as not being for them.

Other interviewees have cited a lack of experience and unwillingness to be productive, as reasons why the microfinance NGO is reluctant to offer loans to non-active/ very poor clients. Responses from three staff capture the emerging narratives:

Interviewee number MF6:

"We believe that because they are idle, they lack the experience and willingness to make use of loans. Due to this, we think they may not be able to repay the loans."

Interviewee number MF4:

"We believe the people already engaged in business have the experience, idle people will struggle to start a business and this may affect their ability to repay the loan".

Interviewee number M7:

"Those poor individuals that are idle (not having any business, farming or craft) but dependent on family, we can't provide these ones with loans because they are lazy and we feel they are not capable of utilising the loan. We prefer people who have shown the zeal and determination by starting up something but needs extra finance to grow their business".

The above quote suggests that the non-economically active poor may be excluded by microfinance for their lack of experience in the business. Providing some explanation to this standpoint, Kodongo & Kendi (2013) argue that because microfinance is primarily given for business/entrepreneurial purpose, non-economically active clients are avoided due to their relative business inexperience. This clearly shows that non-economically active poor women are considered unfit for microfinance modalities. For instance, it may be difficult for an inexperienced and starting up microentrepreneur to meet the weekly repayment contract of microfinance. Furthermore, the repayment contract expects microfinance borrowers to commence loan repayment on the second week of the loan disbursement. This stringent lending term is unlikely to be attainable by non-active/starting-up microentrepreneur who are unlikely to have generated income in their second week of business. Therefore, the structure of microfinance contracts indicates a clear attraction to the economically active poor at the expense of the poorest of the poor, who are in this study, considered as the idle poor. The findings of this study agree with the critics (Lønborg & Rasmussen, 2014; Banerjee & Jackson, 2017) who argue that microfinance is skewed in favour of the relative poor: a concept commonly known as mission creep. “Mission Creeps” is a term that is commonly used by scholars to succinctly identify the drift by microfinance in favour of the more opulent poor (Camdessus, 2014; Gibbons & Hazy, 2017). To gain more insights behind the targeting of the active poor, the researcher probed further by asking interviewees whether they feel the poorest are being left out by the intervention.

5.5 Analysis of the impact of Microfinance on Women’s entrepreneurship and Economic Empowerment in Nigeria

In view of the objectives of this study that seeks to investigate microfinance impact on women’s entrepreneurship and economic empowerment in Nigeria, a Chi-square Test, ANOVA and regression analysis was used to establish how the changes in the outcomes of poor women borrowers (dependent variable) were influenced by their participation in microfinance intervention (independent variable). Both Field (2009) and Pallant (2013) have argued that the Chi-square Test, ANOVA and Ordinal regression analysis are appropriate tools for analysing quantitative data which seeks to explore the relationship between an independent variable and a dependent variable. The qualitative data gathered from the face to face interviews with women borrowers and microfinance staff was used to explain the outcomes of the quantitative results.

5.5.1 Hypothesis and Research Variables for Women's Entrepreneurial Development

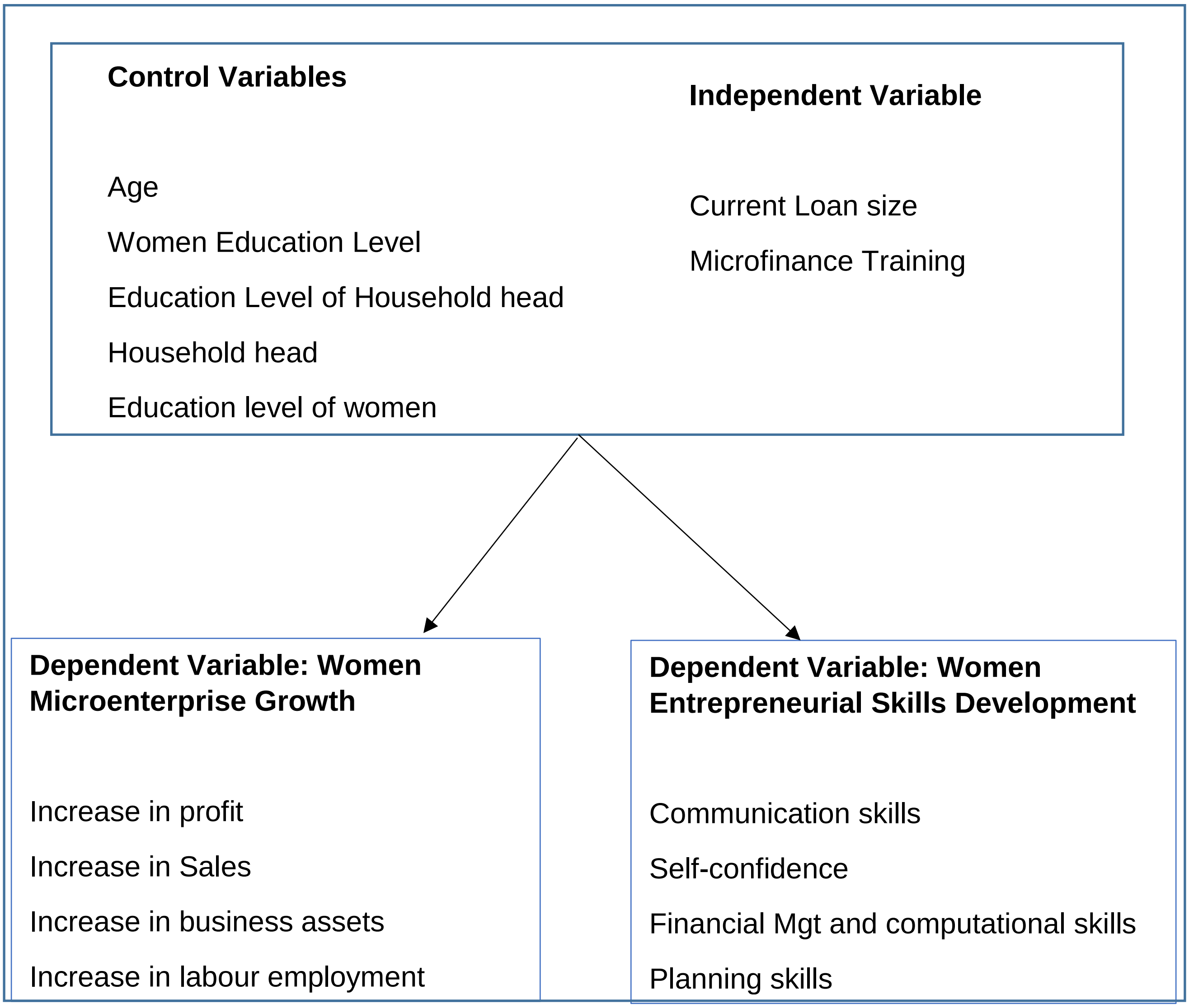
The literature on women's entrepreneurial development only accounts for 10% of all research in the field of entrepreneurship (Brush & Cooper, 2012). This study seeks to widen the literature by firstly investigating the relationship between microfinance and women's entrepreneurial development in Nigeria. To assess women's entrepreneurial development, there is a need to consider two vital aspects of entrepreneurship: enterprise growth and entrepreneurial abilities/skills development. Both aspects are jointly considered given that they reinforce each other: an increase in entrepreneurial skills is most likely to lead to a further increase in enterprise growth as women employ these skills in their microenterprises. More so, microenterprise growth cannot be isolated from entrepreneurial skills given that human capital is a vital factor of production. Prominent entrepreneurship scholars have thus defined entrepreneurs as risk takers (Drucker, 1985; Julien, 1989), engaged in value creation (Fayolle, 2008) and more comprehensively considered as those who coordinate resources for production or who manage factors of production (Casson, 1982; Pearce, 1981). Therefore, in this context, the women entrepreneurs would require certain skills sets in order to effectively and sustainably take risks, create value or organise factors of production in their microenterprises. However, alongside the lack of access to finance, Hisrich and Brush (2009) found that a lack of vital skills was an obstacle to women's entrepreneurial development. Based on the above mentioned, this study has examined women's entrepreneurial development with regard to women's enterprise growth and entrepreneurial skills development. Therefore, in line with the findings of the literature review, the first research question is; does microfinance contribute to women microenterprise growth and entrepreneurial skill development? To answer the research question, two hypotheses were developed based on the literature review and the pilot study conducted during data collection.

- ◊ **H1=** Microfinance services have a positive impact on women's microenterprise growth
- ◊ **H2=** Microfinance services have a positive impact on women's entrepreneurial abilities/skills development

The indicators for microfinance services are mainly microcredit, training and savings. The indicators of women microenterprise growth (increase in profit, sales, business assets and labour employment) employed in this study have been used by previous studies (Yeboah, 2010; Babajide, 2011; Beck, et al., 2015; Karlan & Valdivia, 2011). The indicators of women entrepreneurial development were adapted from Casson (2003) and Julien (2008) alongside taking into cognisance the cultural and literacy limitations that constrain poor women's awareness and utilisation of their potentials. Thus, communication skills, self-confidence, financial management and computational skills and planning skills considered in this study were also employed by previous studies (Afrin, et al., 2008; Zoynul & Fahmida, 2013; Swain, 2006).

Figure 5. 1 below provides a graphical representation of the independent, dependent and control variables used in the ordinal regression model. The control variables are variables which are not primarily of interest to the researcher but are believed to influence the relationship between the dependent and independent variables hence they are held constant to improve the researcher's understanding of the relationship between the dependent and independent variable (Tabachnik & Fidell, 2014). Therefore, the following variables are considered of Age, Household head, Education level of women, Years of MF Membership, Family System, Number of Children and Marital Status are the control variables used in the model (the model in Section 5.6).

Figure 5. 1 Independent, Dependent variable and Control Variables



Source: Author (2018)

For the purpose of the ordinal regression analysis, loan size and microfinance training were used to represent the microfinance services which are considered as the independent variable. The two boxes above (Figure 5.1) contain the two dependent variables and their indicators.

5.6 Empirical Model

The empirical model for the regression estimate is based on the above hypothesis. The justification of the empirical model is detailed in Section 4.11.3.

P (Women Microenterprise Growth)

$$= \frac{1}{1+\varepsilon^{--(\beta_0+\beta_1 membershipyear+\beta_2 age+\beta_3 Householdhead+\beta_4 Educwomen+\beta_5 MicroTra+\beta_6 Loansize+\beta_7 HousHoldEdu+)}}$$

P (Women Entrepreneurial Skills development)

$$= \frac{1}{1+\varepsilon^{-(\beta_0+\beta_1 membershipyear+\beta_2 age+\beta_3 Householdhead+\beta_4 Educwomen+\beta_5 MicroTra+\beta_6 Loansize+\beta_7 NoChild+\beta_8 FamSytm+\beta_9 MarStatu)}}$$

The equation above was operationalised; the variables were then manipulated with the aid of SPSS to explore their impact on women entrepreneurship. Section 5.8.1 and 5.9 provides the results based on the empirical model above.

Chi-Square Test for independence:

To fulfil the assumptions of the Chi-square test as well as to ensure that the test results are easily interpreted, the data were first prepared. In this regard, the number of categories for the dependent and independent variables were collapsed/reduced (Pallant, 2013). For instance, the “current loan size” was reduced from five categories to two, “years of membership” were also reduced from five categories to three. Similarly, the entrepreneurship and empowerment categories of each variable were reduced from five, six to three categories, whilst the social capital categories were reduced from five to two categories. In all tests conducted, the assumption for a minimum expected cell frequency greater than five were met except for a few variables which made them unacceptable hence they were excluded from the analysis (see Section 4.11.3 for further details).

5.6.1 Microfinance impact on Women Microenterprise Growth (H1)

To investigate the relationship between microfinance and women entrepreneurship, a Chi-square Test was conducted between the loan size and the indicators of women's enterprise growth. The results from Table 5.3 below show that there is a relationship between loan size and women's enterprise growth with an associated significance level of *p*= .036. This suggests that women's enterprise growth is strongly correlated with microfinance loans and more specifically, higher loan size was found to have significantly contributed to the relationship.

Table 5. 3 Chi-square Test on Women Microenterprise Growth and microfinance loan size

Current loan size * Enterprise Growth Crosstabulation						
			Enterprise Growth			Total
			Disagree	Neutral	Agree	
Current loan size	less than 90,000	Count	1	23	141	165
		Standardized Residual	-1.8	.3	.2	
	90,000+	Count	10	23	152	185
		Standardized Residual	1.7	-.3	-.2	
Total		Count	11	46	293	350

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6.655[a]	2	.036
Likelihood Ratio	7.817	2	.020
Linear-by-Linear Association	2.595	1	.107
N of Valid Cases	350		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.19.			

Source: Author, (2018)

Similarly, women's enterprise growth was further investigated within non-financial services of the microfinance institution (Table 5.4), the Chi-square Test of women's enterprise growth and business training offered by microfinance, depicted a relationship between business training and women's enterprise growth with an associated significance level of $p= .014$. (Table 5.4). The result suggests that women's enterprise growth is strongly correlated with business training from microfinance and more specifically, recipients of business training were found to have a statistically significant relationship.

Table 5. 4 Chi-square Test on Women Microenterprise Growth and microfinance Training

do you receive MF training (business/health) * Enterprise Growth Crosstabulation

			Enterprise Growth			Total
			Disagree	Neutral	Agree	
Do you receive MF training? (business/health)	No	Count	8	13	93	114
		Standardized Residual	2.3	-.5	-.2	
	yes	Count	3	33	200	236
		Standardized Residual	-1.6	.4	.2	
Total		Count	11	46	293	350

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.558[a]	2	.014
Likelihood Ratio	7.913	2	.019
Linear-by-Linear Association	2.776	1	.096
N of Valid Cases	350		

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 3.58.

Source: Author, (2018)

The conclusions are that Microfinance services do have a significant relationship with women's microenterprise growth. Thus, from these outcomes, it is possible to suggest that the function of microfinance could determine women's enterprise growth. The relationship between microfinance and women's enterprise growth was further analysed using ANOVA. The ANOVA analysis was intended to investigate whether the variation in the independent variables explains the observed variance in the dependent variable. The results of the ANOVA analysis are given in Table 5.5.

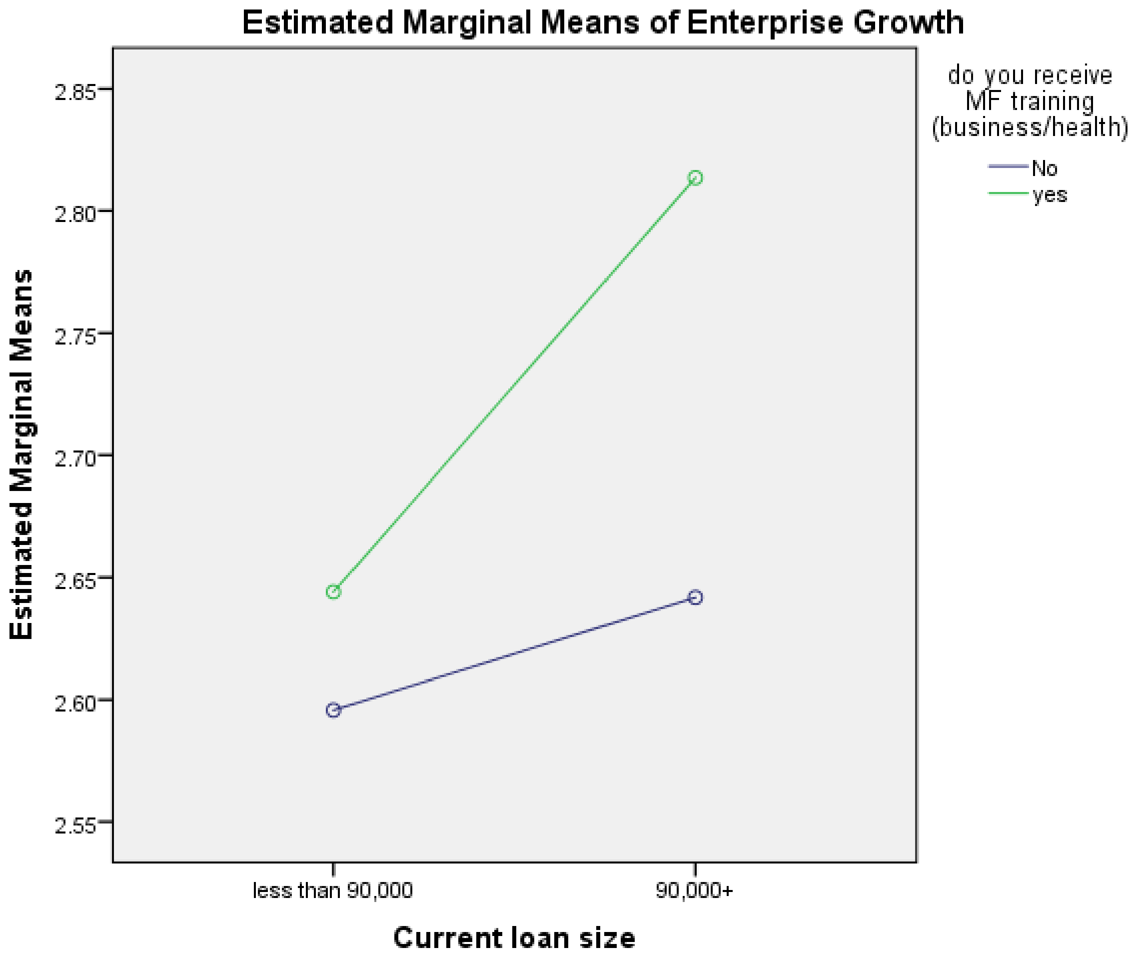
Table 5. 5 Two Way ANOVA-impact of microfinance on women's enterprise growth

Tests of Between-Subjects Effects						
Dependent Variable: Enterprise Growth						
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	2.617[a]	3	.872	4.097	.007	.034
Intercept	2152.100	1	2152.100	10107.418	.000	.967
CurrentLoan2	.874	1	.874	4.105	.044	.012
C15	.911	1	.911	4.280	.039	.012
CurrentLoan2 * C15	.287	1	.287	1.347	.247	.004
Error	73.671	346	.213			
Total	2617.000	350				
Corrected Total	76.289	349				
a. R Squared = .034 (Adjusted R Squared = .026)						

*statistically significant impact: $p \leq 0.05$. Source: Author, (2018)

Table 5.5. Shows that there is a statistically significant impact concerning microfinance loan and microfinance training on women's enterprise growth with (F=4.105, *p*= .044) and (F=4.280, *p*= .039) respectively. The effect size (Partial Eta Squared) for both variables is 12%. However, the interaction of microfinance loans and training was non-significant at (F=1.347, *p*= .247). An analysis of the ANOVA test plot (Figure 5.2) provides clarity regarding the impact contributors on the dependent variable. Figure 5.1 demonstrates that participants who receive larger loan sizes of ₦90, 000+ and those who receive microfinance training, are likely to experience enterprise growth compared to participants with lower loan size and no training.

Figure 5. 2 ANOVA Plot



Source: Author, (2018)

In conclusion, the ANOVA analysis results in Table 5.5 and Figure 5.2 shows that there is a correlation between the predictor variables (Microcredit and Training provided by MFIs) and the response variable (women's enterprise growth). This result supports the results from the Chi-square (Table 53) which suggest that Microfinance services do have a significant relationship with women's microenterprise growth.

Following the results of the Chi-square and the ANOVA, the cumulative odds ordinal regression with proportional odds analysis is used to determine the effect of microfinance on women microenterprise growth of women participants in microfinance. The regression analysis improves the robustness of the results of both quantitative analyses.

5.7 Dependent Variables and Their Combination for Regression Analysis

To employ ordinal logistic regression to test the relationship between the dependent and independent variable, there is a need for one indicator to represent each of the three dependent variables. However, our dependent variables of Women Entrepreneurial development, Economic Empowerment and Social capital development have more than one indicator. To solve this problem, the indicators of each dependent variable are composited to form the main dependent variable. The composite indicator seeks to “measure the multidimensional concepts (such as microfinance, women’s entrepreneurship and empowerment) which cannot be captured by a single indicator” (OECD, 2008). However, composite indicators can send misleading policy messages if poorly constructed or misinterpreted (OECD, 2008). Böhringer and Jochem (2007) argue that variable compositions help analysts to aggregate multiple indicators to allow for an unambiguous interpretation of complex data. Therefore, composite variables are appropriate for this study given that the dependent variables (Women Entrepreneurial development, Economic Empowerment and Social capital development) and their relationships with the independent variable (microfinance) are captured through multiple lenses.

Although factor analysis is an alternative technique to variable composition, in this case, the information on the ordinal categories of the indicators may be concealed which is vital to this study. Therefore, in constructing the composite indicators, the categories with fewer frequencies were merged to enhance the interpretation (Saisana & Tarantola, 2002). For instance, the five Likert scale responses were merged into three categories of Disagreed/strongly disagreed, Neutral and Agreed/strongly agreed. The construction of the composite variables was facilitated given that the dependent variables were all positively worded, had the same number and description of categories. Following from there, all the indicators of a dependent variable were added up and computed to get the mean (average) value. The mean method of composition was selected as it will help to appropriately retain the information on the categories of the indicators. Thereafter, the values were recoded to remove the decimal point and to reach a whole Figure to enable all values to fit into their specific categories. Therefore, the values of 1-1.50 were recoded as 1, 1.51-2.30 were recoded as 2 and 2.30-3 were recoded as 3. Consequently, the exercise produced a dependent variable (Entrepreneurial development) with three categories of Disagree (coded as value 1), Neutral (coded as value 2) and Agree (coded as value 3). This exercise was repeated to arrive at other dependent variables such as Economic empowerment and Social capital development.

The model-building approach follows the completion of the composition of the dependent variables. First, the models were built for each variable without the interaction between the two independent variables of interest (microcredit and training). Second, the model was built with the interaction from both independent variables. This technique was employed to analyse the joint effect of microcredit and training on the dependent variables and to ascertain if such an effect differs from the former model. All the models satisfied the assumptions for ordinal logistic regression; the models fitted well and the test of parallel lines indicated that the proportional odds assumption, which the validity of the analysis depends on, was not violated. The results of the ordinal logistic analysis are discussed below.

5.7.1 Ordinal Logistic regression for Women Microenterprise Growth (H1)

The independent variables of age, loan size, microfinance training, years of microfinance membership, women education's, household head and education of household head were tested for multicollinearity, all the tolerance values are greater than 0.1 (the lowest is 0.765) and the Variance Inflation Factor (VIF) values are much less than 10, clearly indicating that there was no problem of multicollinearity. The logistic regression model assesses the effect of microfinance on women's microenterprise growth. The model in this study is well fitted as it is highly significant at .001 which means that a null hypothesis can be rejected given that the model without predictors is as good as the model with the predictors. The parallel line is non-significant at χ^2 (10) = 6.218, p = .797 (p is greater than .05), hence meeting the assumption of proportional odds. The goodness-of-fit measure in Deviance indicated that the model was good at χ^2 (188) = 199.169, p = .275 but the Pearson differed. Due to the difference in the goodness-of-fit results between the Deviance and Pearson, the assumption of over-dispersion is checked by dividing the value of Chi-square of Pearson by its degree of freedom. As the resultant Figure is (see below) is below 2, therefore there is no problem of over-dispersion (Field, 2009).

Pearson = X^2Pearson/df = 340.768/ 188 =1.81

Deviance = X^2Deviance/df = 199.169/ 188 = 1.06

The regression analysis result from Table 5.6 below shows that the microfinance credit represented as the loan size of less than ₦ 90,000, has a statistically significant effect X^2 (1) = 9.193, p= .002 and the negative coefficient indicates the lower cumulative score. This implies that for women with a loan size of less than ₦90,000, the odds of scoring lower (being in a lower category) on the dependent variable (microenterprise growth) is nearly half (0.439) that of women with a loan size of ₦90,001 and above given the other variables are held constant in the model. Therefore, it concludes that women having a loan size of less than ₦90,000 are much more likely to disagree that microfinance has an impact on women's microenterprise growth than women with a loan size of ₦90,001 and above.

The cross-tabulation of the loan size and the microenterprise growth in Appendix A Table 2A shows that of the 3.1% of women who disagree about to microenterprise growth, 0.3% fell under the lowest category of loan size. In addition, out of the 13.1% of women who were neutral to microenterprise growth, 6.6% belonged to the lower loan size category. Therefore, 6.9% (6.6% + 0.3%) of women who disagreed or were neutral compared to 40% of the agreed, belong to the lower loan size category. On the other hand, 9.5% (6.6% + 2.9%) of women who disagreed or were neutral compared to 43.4% of those who agreed to microenterprise growth, belong to a higher loan size band of ₦90,001 and above. Overall, the results indicate that women with a higher loan size (above ₦90,001) are more likely to agree that microfinance aids microenterprise growth than those with smaller loan size.

Table 5. 6 Ordinal Logistic Regression for Women's enterprise growth-Model 1

	Parameter Estimates								
Variable		**Estimate**	**Std. Error**	**Wald**	**df**	**EXP B**	**Sig.**	**95% Confidence Interval**	
								Lower Bound	**Upper Bound**
Threshold	[Enterprise5 = 1.00]	-4.502	1.030	19.119	1		.000	-6.520	-2.484
	[Enterprise5 = 2.00]	-.580	.907	.409	1		.523	-2.357	1.198
Location Age	18-39 years 40 + Years	.837	.250	11.202	1	2.31	.001	.347	1.327
Loan Size	less than ₦ 90,000	-.821	.271	9.193	1	.439	.002	-1.352	-.290
	₦90,001 +	0[a]	.	.	0	-	.	.	.
Microfinance Training	Yes	-.532	.255	4.337	1	.588	.037	-1.033	-.031
	No	0[a]	.	.	0	-	.	.	.
Years of MF Membership	Less than 3 years	-.123	.507	.059	1	.884	.808	-1.118	.871
	4 + years	0[a]	.	.	0	-	.	.	.
Women Education	No education	-.003	.550	.000	1	.997	.995	-1.081	1.075
	Elementary education	-.086	.550	.025	1	.918	.875	-1.163	.991
	degree	0[a]	.	.	0	-	.	.	.
Household head	Woman	-.537	.523	1.051	1	.584	.305	-1.562	.489
	Husband	.027	.465	.003	1	1.31	.954	-.885	.938
	Other household head	0[a]	.	.	0	-	.	.	.
Education of Household Head	No education	-.298	.453	.431	1	.742	.511	-1.186	.591
	Elementary education	-.610	.450	1.841	1	.543	.175	-1.492	.271
	degree	0[a]	.	.	0	-	.	.	.
	Link function: Logit.								
	a. This parameter is set to zero because it is redundant.								

Source: Author, (2018)

With regards to the effect of microfinance training on microenterprise growth, the regression analysis result from Table 5.6 above shows that women who received microfinance training have a statistically significant effect of X^2 (1) = 4.337, p= .037 and the negative coefficient indicate a lower cumulative score. This implies that women who receive microfinance training are 0.588 likely to agree that microfinance aids microenterprise growth compared to women who have not received such training. The cross-tabulation of training and microenterprise growth in Table 2B (Appendix II) shows that of the 67.4% of women who received microfinance training, 57.1% agree to have experienced microenterprise growth, whilst 9.4% and 0.9% were neutral and disagreed respectively. In addition, Table 5.6 shows that women between the ages of 18-39 are 2.1 times more likely to agree to microenterprise growth compared to women above the age of 40. The regression result indicates that women aged up to 39 years are statistically significant at X^2 (1) = 11.202, p= .001. However, the relationship of women's education, the education of the family head and household head are non-significant to microenterprise growth.

A further assessment of the model was conducted by adding an interaction between the two main independent variables of interest which is: microfinance loan size and training. This approach was employed to examine the combined effect of both the independent variables on the dependent variable and to identify if they differ from model 1. The result from model 2 differed slightly from the first model, all the independent variables (including loan size and training) were non-significant except the variable of women's age which was significant at X^2 (1) = 11.315, p= .001, implying that women between the ages of 18-39 are 2.33 times more likely to agree to microenterprise growth compared to women above age 40 (Table 5.7). The results from the cross tabulation of loan size and training in Appendix A Table 2C shows that 67.4% of women received training and the ratio between those with a loan size of less than ₦90,000 is the same with women with a loan size of ₦90,001 and above, at 33.7% for each respectively. Although Table 5.7 shows that the interaction of loan size and training is statistically non-significant, which implies that there is no interaction effect on microenterprise growth, Table 3D and 3E in Appendix A indicates that 55.4% of women who agree to microenterprise growth have a loan size of less than ₦90,000 compared to 28.3% for a loan size above ₦90,001 and 57.1% of women who agreed to microenterprise growth are women who have received microfinance training compared to 26.6% who have not received training.

From the above results of the regression analysis, it can be deduced that microfinance supports the growth of women microenterprise. This agrees with the results from the Chi-square test and ANOVA; hence this provides more evidence of the robustness of the quantitative analysis results. Thus, the hypothesis: **H1**= MFI credit and training has a positive impact on women's microenterprises growth (p< 0.005) - has been upheld. The evidence does not support the argument that a higher loan size has a positive impact on women's microenterprise growth, as the results point to microenterprise growth being a function of a small loan size of less than ₦90,000.

Table 5. 7 Ordinal Logistic regression for Women's enterprise growth-Model 2

		Parameter Estimates							
Variable		**Estimate**	**Std. Error**	**Wald**	**df**	**EXP B**	**Sig.**	**95% Confidence Interval**	
								Lower Bound	**Upper Bound**
Threshold	[Enterprise5 = 2.00]	-.488	.914	.285	1		.594	-2.279	1.303
Location Age	18-39 years 40 + Years	.848	.252	11.315	1	2.33	.001	.354	1.342
Loan Size	less than ₦ 90,000	-.851	.420	4.096	1	.427	.043	-1.674	-.027
	₦ 90,001 +	0ª	.	.	0	-	.	.	.
Microfinance Training	Yes	-.532	.360	2.176	1	.587	.140	-1.238	.175
	No	0ª	.	.	0	-	.	.	.
Years of MF Membership	less than 3 years	-.049	.509	.009	1	.952	.923	-1.046	.948
	4 + years	0ª	.	.	0	-	.	.	.
Women Education	No education	-.008	.552	.000	1	.992	.989	-1.090	1.074
	Elementary education	-.043	.552	.006	1	.958	.938	-1.124	1.039
	degree	0ª	.	.	0	-	.	.	.
Household head	Woman	-.511	.525	.948	1	.599	.330	-1.541	.518
	Husband	.029	.466	.004	1	1.029	.950	-.884	.942
	other household head	0ª	.	.	0	-	.	.	.
Education of Household Head	No education	-.310	.456	.463	1	.733	.496	-1.203	.583
	Elementary education	-.555	.455	1.492	1	.574	.222	-1.447	.336
	degree	0ª	.	.	0	-	.	.	.
Loan size X Training	Yes, x less than ₦ 90,000	-.034	.505	.005	1	.967	.946	-1.025	.956
	Yes, x ₦ 90,001 +	0ª	.	.	0	-	.	.	.
	Link function: Logit.								
	a. This parameter is set to zero because it is redundant.								

Source: Author, (2018)

5.8 Results from face to face Interviews

To address the points raised in the quantitative analysis (Section 5.8.1), this Section employs qualitative tools to provide a deeper insight into the outcomes of the relationship between the provision of microfinance and women microfinance growth.

Using a directed content analysis approach, the qualitative data collected was then analysed and the relationships explained.

5.8.1 Increase in Women Microenterprise Assets

Contrary to earlier studies (Babajide, 2012) which suggest no significant impact on women's access to microfinance and the growth of their microenterprises in Nigeria, the emerging narratives from the in-depth interviews with 203 women borrowers of microfinance revealed that 75% women microenterprises experienced growth and expansion. This finding is consistent with recent studies (Wang, 2013) from China and (Abdulsalami & Tuku, 2014) from Nigeria which found a positive impact of microfinance on women microenterprise growth. The quotes below from a respondent captures the emerging narrative:

Interviewee number WM1

"Since I started receiving loans from microfinance, my business has begun to grow and expand significantly"

The in-depth interviews provide more insight into the areas of business where women's microenterprise experienced growth, and how their microenterprise was affected. Indeed, the qualitative in-depth interviews indicate that before having access to microfinance loans, women's microenterprises had none or limited business assets. In cases where there was a presence of limited assets for the microenterprise, they often included; cooking utensils, furniture, food processing machines with limited processing capacity, refrigerators and generators. Asked whether their business assets had received a positive increase, the women answered in the affirmative. Comments from the following respondents provide some insights into the above assertion:

Interviewee number WM2

"I deal in frozen food and before I joined microfinance I had only one freezer but after receiving loans from microfinance, I have bought 3 deep freezers, 1 standing deep freezer, my business has expanded, and I make more sales"

Interviewee number WM3

"I have used the loans from microfinance to expand our business, buy grinding machine and generator set, t*his has helped reduce the amount of manual work I have to put into the grinding business"*

Interviewee number WM4

"Before I had no business, it got to a stage I nearly committed suicide due to the hardship but since my friend introduce me to microfinance, I used the loans but cooking equipment's and started my food business"

These responses above, illustrate that women use their loans from microfinance to purchase business assets. Furthermore, the business assets accumulation by women microenterprise helped expand their business productive capacity and aided business processes. For instance, women claimed that by acquiring a grinding machine they could now serve more clients and increase sales rather than in the past when they had relied on manual means. The acquisition of refrigerators meant that the women engaged in selling food and drinks are now able to preserve more stocks than was previously possible. More so, due to the epileptic power supply in especially in rural areas of Nigeria (Mojeed, 2014) generator set is a common energy source used by entrepreneurs to power their business. The acquisition of generator sets allowed, for instance, tailors to use their electric sewing machines and to turn out clothes faster than they could with manual sewing machines.

Also, due to the hot climate, customers prefer cold beverages, thus, acquiring refrigerators and having generators to power them helped women microenterprises (especially drink vendors) to meet the needs of clients better than competitors. Women borrowers used two main strategies to acquire business assets: they bought assets with the loan fund or bought assets with the profit generated through the loan-funded microenterprises. The findings of this study, that microfinance increases the business asset of women microenterprises, is consistent with the literature (Chowdhury & Chowdhury, 2011; Onyina & Turnell, 2013). Onyina & Turnell (2013) observed that women used credit for investment in productive capacity (buying larger cooking pots, improving market stall etc). Chowdhury & Chowdhury, (2011) found that women used microfinance loans to acquire agricultural stock such as cows and poultry as business assets which enabled them to trade poultry, eggs or cow's milk.

The results from the in-depth interviews confirm the quantitative findings (Section 5.6.3) and underline the important effects of microfinance services on women microenterprise assets.

5.8.2 Bulk Buying Helped Women Reduced Input Cost

The in-depth interviews reveal that women borrowers have also experienced business growth in the area of increased stock levels compared to pre-intervention periods. A commonly mentioned feature was the shift from buying in smaller quantities to buying in larger quantities. In this regard, two respondents made the following remarks:

Interviewee number WM5

"Before I started receiving loans, I use to buy goods in small quantities but after receiving the loans I can now buy in large quantities. It has reduced my cost and I am able to make a small profit. I feel very blessed to have joined microfinance".

Interviewee number WM6

"Before I joined microfinance, I use to buy goods from the local supplier due to lack of finance, but since I started receiving loans, I buy in bulk from wholesalers which is cheaper and helps my business make more profit".

These responses above, illustrate that women used microfinance loans to initiate the practice of bulk buying and, in most cases, cut out the middlemen. Buying in bulk is a commonly used business strategy employed by poor women borrowers to reduce input costs. A recent study in Tanzania (Rasheli, 2015) found that poor farmers were able to reduce input costs through bulk purchasing. However, a lack of access to credit and inadequate funds discouraged prospective microenterprises in Nigeria from buying their products in bulk (Durojaiye, et al., 2014). Therefore, after joining microfinance and accessing loans, women can reduce their input costs by cutting out the middlemen: making large purchases directly from the wholesalers at a relatively lower price. This strategy is particularly useful especially because low demands in poor communities substantially affects microenterprises' ability to profit from increased prices (Khandker, 2005; Lusby & Panlibuton, 2002), thus, by reducing input costs, the women could have their profits increase marginally. About 65% of the women mentioned that they have successfully applied this strategy in their business.

The findings of the in-depth interviews are consistent with the literature (Tengeh, 2013; Norell, et al., 2015). In a study of immigrant start-ups in South Africa, Tengeh, (2013) found that 89.2% of the microenterprises employed bulk buying strategies to reduce input costs and to increase profit. Similarly, Norell, et al., (2015) argue that bulk purchasing helped rural farmers to reduce the total per unit price they had to pay through wholesale orders, a strategy they considered to have brought farmers the greatest advantage.

5.8.3 Business Diversification Strategy

The provision of microcredit was also accompanied with training on business improvement and money management strategies for the women entrepreneurs. Business improvements were concerned with diversifying women's microenterprises and searching for new opportunities that could create alternative sources of income or that could complement women's current business activity. When asked whether the training from microfinance helped the women to diversify their business, about 30% of the women's answer was in the affirmative. Responses from two women clients point to the above assertion:

Interviewee number WM7

"We receive training on our business and the credit officer often comes to our shops to teach us how we can add more items to our current stock or consider other business that we could also invest in. Due to the training, I have added snacks to my beverage business and that is bringing me more customers"

Interviewee number WM8

"Due to the training and advice get from the credit officer, I have been able to use the loan to buy tricycle and leased it out to generate more money".

As the above quotes show, the training and loans helped women to consider alternative product lines and business opportunities. In particular, women claimed that they applied diversification strategies to increase their business revenue. Leibel et al., (2014) observe that due to the fluctuating nature of demand in poor communities, diversification provides the flexibility that helps augment income shortfalls. The study found that women borrowers were more likely to add new products to exit ing businesses than establish new businesses altogether due to the smallness of the loans and the poor market demand. For instance, a food vendor claimed to have started selling drinks (alcoholic and non-alcoholic drinks) in addition to her normal eatery business. Consistent with this suggestion, some initial evidence suggests that this kind of diversification indeed exit s. In a study of microfinance impact on microenterprises in Kenya, Kibas, (1995) found that whilst microfinance did not cause the enterprises to grow vertically, they fostered horizontal growth as recipients diversified their businesses. Similar to the findings of the present study, that only a few women actually employed a diversification strategy, Lynn, (1998) argues that both opportunistic and synergistic diversification requires extra capacities (finance, skills, time and demand) which are not often readily available to microenterprises. Thus, only a very few women who did have extra financial resources were able to diversify their business.

Furthermore, the in-depth interviews reveal that the vast majority of the women did not diversify their businesses due to varying reasons including the small loan size, low demand, less opportunity for diversification and the reluctance to take on extra risks associated with a new product line or new business. For instance, some borrowers claimed they were reluctant to establish new income-generating enterprises because they could not find reliable people to assist them to manage their businesses.

5.8.4 Self-employment and Employment Generation

Regarding whether the expansion of women microenterprises had resulted in the creation of employment, the women were asked whether they had employed any non-family members in their business. The question was aimed at determining the extent to which microfinance resulted in an increase in the direct employment of paid non-family members in the income-generating activity of microfinance participants. The study did not assess increases in the self-employment of women given that most of the women were self-employed before joining microfinance. Results from the quantitative data shown in Table 5.8 indicate that most of the women (70.3% or 246) were unlikely to have hired workers to support their business operations. This result suggests that, even though business expansions were recorded, they were not substantial enough to significantly raise direct employment. The in-depth Interviews showed that at times, where there was a need for extra labour support, the women relied on support from family members such as, children, husband, friends and relations who were not paid for their services, a finding confirmed by (Nathan, 2015).

Table 5. 8 Employment outcomes of Microfinance

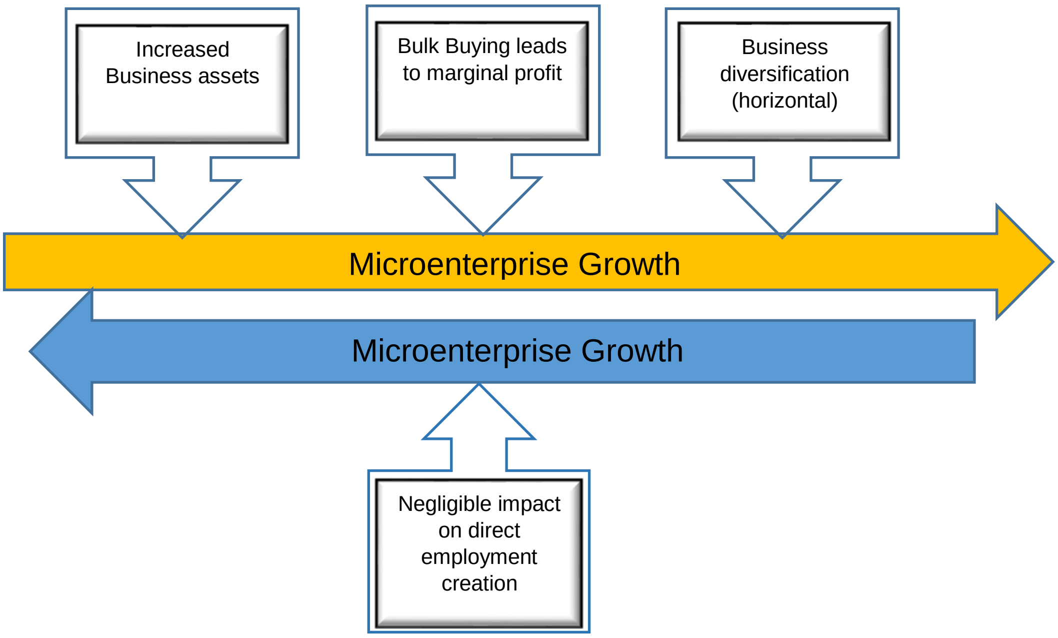
How many people do you employ					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	None	246	70.3	70.3	70.3
	One	104	29.7	29.7	100.0
	Total	350	100.0	100.0	

Source: Author, (2018)

Table 5.8 also shows that the few women (29.7%) who are likely to have employed non-family members, had employed not more than 2 staff limited to one candidate. The emerging narratives from the in-depth interviews suggest that the women who actually employed non-family members had alternative income generating businesses which allowed them to afford to pay for extra labour, a finding confirmed by Edgcomb & Thetford (2013). For example, a woman claimed that after acquiring a tricycle to be used in the transportation business, she had to employ the service of a driver for the tricycle. Therefore, in the limited instances where employment was generated, they were restricted to mainly new business which the women could not personally operate. Supporting this argument, Buckley (1997) explains that in rural areas, few informal businesses actually employ people on a consistent full-time basis. Other findings from the current study suggest that the reasons why the employment generation capability of women microenterprises was modest, were the limited demand in rural markets which inhibited continuous business growth and the widespread use of loans for purposes other than income-generating activities.

Therefore, this study finds that microfinance had a negligible effect on the direct employment creation of non-family members.

Figure 5. 3 Summary of Findings on Microenterprise Growth



Source: Author, (2018)

In conclusion, the results from both the quantitative and qualitative data are consistent with the findings of Morris & Barnes (2005) and Salia, (2017) that microfinance contributes significantly to the growth and expansion of microenterprises. Some salient conclusions can be drawn from both the quantitative and qualitative results presented above (Section 5.8.1 and 5.9). Microfinance engenders microenterprises' expansion in the specific areas of increment in business assets such as refrigerators, generators and grinding machines. Access to microcredit helped Women microenterprises to employ a bulk-buying strategy which enabled them to reduce input costs and increased profit marginally. Diversification was employed as a livelihood strategy to complement existing product lines and improve the income streams for the women. However, microfinance had anon-significant impact on direct employment for the majority of the women microenterprises except for a few women who had alternative income generating activities that they could not operate themselves. Therefore, the study suggests that H1 should be upheld with some level of caution. The findings show that microfinance has a positive impact on some aspects of women microenterprise growth.

5.9 Microfinance Impact on Women's Entrepreneurial skills development (H2)

The next logistic model assesses the impact of microfinance on women's entrepreneurial skills development (see Table 5.8). The model in this study is well fitted as it is significant at 0.00 and the goodness-of-fit test also shows that the model fits. The parallel line assumption is met as it is non-significant.

The regression analysis results presented in Table 5.9 below shows that there is no statistically significant effect of loan size, years of microfinance membership, the number of children, women's education, household head and marital status on women entrepreneurial development. However, the model shows that microfinance training has a statistical significance of the effect of X^2 (1) = 5.099, p= .024 and the negative coefficient indicates the lower cumulative score. This indicates that women who receive microfinance training are 0.403 likely to agree that microfinance aids microenterprise growth compared to women who have not received such training. The cross-tabulation of women's entrepreneurial skills development and training as presented in Table 2F in Appendix A shows that of the 67.4% of women borrowers who received microfinance training, 47.1% agree to microfinance's positive effect on women's entrepreneurial skills development as compared to 23.4% who disagreed. In addition, the logistics regression results show that women under 40 years old are .367 more likely to agree that microfinance leads to women's entrepreneurial skill development. The results indicate that age is statistically significant at X^2 (1) = 5.213, p= .022. An interaction model of training and loan size was run but the results were the same as the first model, therefore, it has not been reported in this study.

From the above results of the regression analysis, it can be deduced that microfinance supports women's entrepreneurial skills development. However, it is worthy of note that in this case, only microfinance training and age were significant with the dependent variable whilst loan size was non-significant. Thus, the hypothesis: **H2**= MFI credit and training has a positive impact on women's entrepreneurial development (p< 0.005) - could be upheld with caution or considered as having a partial positive impact. Further insight is provided by the results of the in-depth qualitative interviews presented below (Section 5.10).

Table 5. 9 Ordinal Logistic Regression for Women's Entrepreneurial Skills Development

Parameter Estimates									
		Estimate	Std. Error	Wald	df	EXP B	Sig.	95% Confidence Interval	
								Lower Bound	Upper Bound
Threshold	[Entrepreneurship1 = 2.00]	-22.998	1.951	139.021	1		.000	-26.821	-19.175
Location Age	18-39 years 40 + years	-1.002	.439	5.213	1	.367	.022	-1.862	-.142
Loan Size	Less than ₦ 90,000	-.581	.388	2.245	1	.559	.134	-1.341	.179
	₦ 90,001 +	0a	.	.	0		.	.	.
Microfinance Training	Yes	-.910	.403	5.099	1	.403	.024	-1.700	-.120
	No	0a	.	.	0		.	.	.
Years of MF Membership	Less than 3 years 4 + years	-16.043	.000	.	1	1.078	.	-16.043	-16.043
		0a	.	.	0		.	.	.
Family System	Nuclear Family	-2.701	1.072	6.344	1	.067	.012	-4.803	-.599
	Joint Family	0a	.	.	0		.	.	.
Number of Children	No children	-.708	.850	.694	1	.493	.405	-2.373	.958
	1-4 Children	-.070	.413	.028	1	.932	.866	-.879	.740
	5 + Children	0a	.	.	0		.	.	.
Women Education	No education	-1.218	1.088	1.252	1	.296	.263	-3.350	.915
	Elementary education	-.308	1.108	.077	1	.735	.781	-2.479	1.863
	Degree	0a	.	.	0		.	.	.
Household head	Woman	.580	.814	.508	1	1.785	.476	-1.015	2.175
	Husband	.359	.653	.303	1	1.432	.582	-.920	1.639
	Other household head	0a	.	.	0		.	.	.
Marital Status	Married	.487	.610	.636	1	1.627	.425	-.709	1.683
	Single	0a	.	.	0		.	.	.
	Link function: Logit.								
	a. This parameter is set to zero because it is redundant.								

Source: Author, (2018)

5.10 Results from face to face Interviews

To address the points raised in the quantitative analysis (Section 5.7), this Section employs qualitative tools to provide a deeper insight into the impact impact of microfinance on women's entrepreneurial skills development.

5.10.1 Communication Skills and Self Confidence

The impact of microfinance on communication skills and the self-confidence of women is one of the areas that has persistently been debated in microfinance and empowerment literature but not thoroughly investigated. This study attempts to provided insights into microfinance's impact on communication and self-confidence by integrating issues raised in the literature. The emerging narratives from the in-depth interviews indicate that through participating in group meetings and group decision making, women were able to build their communication skills as indicated in the following responses:

Interviewee WM9

"Since I joined microfinance and started participating in the group meetings, I have developed boldness to speak without fear or being shy. I used to be too shy to speak but that has disappeared since I joined the group"

Interviewee WM10

"In our group meetings, we are allowed to freely speak, air their views on any issue bordering us and we contribute to all the decision made in our union and nobody is here to intimidate us".

The above quote suggests that the group meetings promote a feeling of social security and a democratic environment that allows women to effortlessly express themselves without any fear of abuse or intimidation. This was particularly insightful especially given that most of the women lived in households where they consistently face physical and verbal abuse from their spouses: drunks, gamblers or generally abusive spouses. In addition, in a traditional Nigerian society, cultural and religious beliefs inhibit women's initiative and public expression. For instance, in most of the surveyed communities, women were not allowed to attend or contribute to discussions held by elders of the family or village community. Therefore, participating in group meetings provided the women with an outlet to share their opinions, propose initiatives and develop their communication skills. Supporting evidence was also felt and seen in the field, women borrowers demonstrated high expressive abilities. They provided extra details and information in response to questions posed. The findings of this study are consistent with several other studies (Mehta, et al., 2011; Dahal, 2014; Vijayalakshmi, 2016) which found that participation in microfinance has a positive effect on the communication skills and self-esteem of the participants. Similar evidence of women's increased expressive ability is also discussed by Thakur, (2017) as the effect of microfinance participation.

The results from the in-depth interviews also indicate that women experienced increased self-worth after participating in microfinance. Responses from two respondents provide some insights:

Interviewee WM11

"I am so proud of myself, my business is going well since I joined microfinance and I am no longer depending on my husband for money to buy little things such as bathing soaps since I now earn income from my business".

Interviewee WM12

"Before joining microfinance, my husband use to abuse me a lot and consider me useless. But since I joined microfinance and started making more money, he respects me a lot and I now understand my worth in the family".

The above quotes, illustrate that women's earnings endow them with enhanced self-worth and increased self-esteem. Women who earn an independent income were more likely to consider themselves resourceful and thus wield high self-confidence. These findings are consistent with the findings of Swain (2006) which confirm that as a result of participating in microfinance, women's self-confidence was enhanced with evidence of resistance to verbal abuse, beatings and physical abuse and psychological and emotional abuse from their spouses. Kim et al., (2007) documented in their elaborate study, that participation in microfinance was associated with greater self-confidence and the financial confidence of female HIV sufferers in South Africa. Concerning the importance of self-confidence and communication skills to women's entrepreneurship, Hung, et al., (2012) argue that both factors empower women's intrinsic abilities to seek out business opportunities without the fear of failure. They suggest that enhanced communication skills enable women to effectively negotiate business transactions and to network with peers and suppliers for the benefit of their microenterprises. Furthermore, in the context of empowerment, Noreen (2011) argues that women's empowerment is portrayed by women's ability to lead a life with self-esteem, self-reliance and dignity.

5.10.2 Business Record Keeping Skills

The qualitative in-depth interviews show that the women were fully involved in all aspects of their business: planning, strategizing, the procurement of raw materials, marketing/selling and recording sales. This was particularly common with microenterprises engaged in the selling of food and non-food items and those involved in the service sector. The small size of the business was often cited as the reasons behind their all-around involvement in the business processes. By operating as sole proprietors, the microenterprises solely rely on the ingenuity, skills and determination of the women to survive. Unfortunately, their very low level of education (44.6% uneducated as presented in Table 5.2.5) limits their ability to adequately keep business transaction records which is vital for the success of their businesses. Similarly, Danford et al., (2014) found that most microenterprises were unable to keep adequate sales records due to inadequate education and training, and the lack of such basic financial skills impedes microenterprise growth (Pedro, 2014). For instance, McKenzie and Woodruff (2012) argue that when microenterprises do not practise adequate record keeping, it may lead to some holding a large inventory of goods while popular items are frequently out of stock. Against this background, the researcher asked questions regarding whether participation in microfinance had enhanced women's financial management and computation (recording keeping) skills. Comments from the following three respondents shed some light on the above assertion:

Interviewee WM13

"Before I joined microfinance, I do not take stock of items in my shop or even record my sales and purchases but since my credit officer taught me how to do it and the

importance, It has really helped me to identify which item is running out"

Interviewee WM14

"Before I joined Better Livelihood (MFI) it was difficult for me to calculate my profit and determine the difference between profit and sales since I am not educated. But the credit officer showed me how to do that"

Interviewee WM15

"I now write down all the items I buy and sell in a book. This has helped me to calculate my expenses and my sales"

The quotes above suggest that by participating in microfinance, women gained enhanced business skills regarding stock taking, record keeping and basic profit computational skills. These skills enable women to identify popular items to stock and to track cash flows in and out of their business. Although the debate as to whether microfinance training has a positive impact on business profitability is inconclusive, the findings of the present study support recent studies (Yukichi, et al., 2011; Drexler, et al., 2014; Karlan & Valdivia, 2011) which suggest that microfinance training has a positive impact on microenterprises' record keeping. Interviews in the present study confirm the above findings, that at the very least microfinance training promotes women's financial skills acquisition and use of business practice such as record keeping. However, it is worth noting that the skills remained on a very elementary level. Some women use notebooks and plain sheets of paper to document cost and sales records. None of the respondents indicated that they had employed the assistance of professionals such as accountants or that they used computer systems. This was mainly due to their inability to meet the fees charged by professionals for providing financial services. More so, the respondents did not report any change in their formal education since joining microfinance, which supports the non-reliance on computer systems.

5.10.3 Financial Planning Skills

In order to determine whether the microfinance received, impacted in any way upon women's foresight and planning skills, the researcher asked the women about their planning skills during the periods before and after receiving the microfinance. The following respondents say:

Interviewee WM16

"Because of the weekly payment which I have to meet up with, I now plan for every money I get from my business to ensure I meet up with my repayments and this has to help me in ensuring that I do not spend frivolously as I did before".

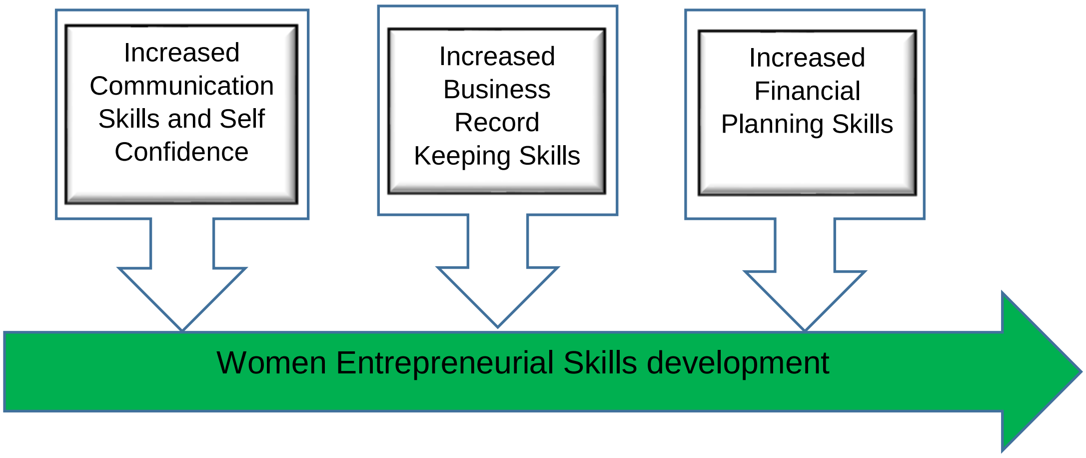
Interviewee WM17

"Oh yes…now I do not spend wastefully like before, now I make sure I can account for any money I make and plan how best to use the money unlike before I joined microfinance"

The above quotes suggest that the weekly repayments improved fiscal discipline amongst women borrowers. According to the respondents, the repayment system ensures that they set aside a part of their income on a weekly basis to repay the loan. This creates a sense of responsibility, unlike pre-intervention periods where a lack of structured financial deadlines allowed the women to use their incomes without adequate consideration of its future relevance. The planning skills were mainly related to the financial planning/discipline of their business income driven by the motivation to ensure that they do not fail in their loan contract with the microfinance intervention. Nonetheless, some women had extended that discipline to how they manage their business resources and income. However, whilst the weekly repayment system is applauded in this study for promoting fiscal discipline, there is a growing argument that frequent repayments contributes to high MFI transaction cost (Shankar 2006), high-interest rates and ultimately limits MFIs' ability to expand outreach to more remote regions (Armendariz and Morduch 2004). Consequently, Field & Pande (2007) suggest that a flexible repayment system could allow MFIs to reach up to four times as many clients without hiring additional collection officers, and thereby significantly expand operations without incurring a loss. Therefore, there is a need for further research to explore the effects of frequent repayments on both microfinance participants and microfinance institutions outreach.

Although the quantitative analysis (Section 5.9) indicated a statistically significant impact regarding increase in women's education, results from the interview showed no evidence of an increase in women's formal education. The conflicting results only mirror the inconclusive nature of the literature on microfinance's impact on women's empowerment. In her study, Kabeer (2001) highlighted this inconsistency by acknowledging the mixed results between the qualitative and the quantitative evidence in studies which have investigated microfinance impact on women empowerment, which is also evident in this study. However, there was clear evidence that women borrowers' awareness and use of financial services improved. Some interviewees explained that before joining the intervention, they operated their business entirely through cash, with very minimal or no use of any financial institutions service. However, after participating in microfinance, women microentrepreneurs are even more familiar with services such as bank accounts, savings accounts and cashing and issuing cheques. The findings of this study suggest that there could be improvements on reports of earlier literature which found that on average, women perform worse than men on tests of financial knowledge and have less confidence in their financial skills (Hung, et al., 2012).

Figure 5. 4 Summary of Findings on Women Entrepreneurial Skills development



Source: Author, (2018)

In conclusion, the above discussion suggests that women's entrepreneurial skills development are impacted by participation in microfinance intervention. The results from both the quantitative and qualitative data are consistent with the findings of (Swain, 2006) that microfinance supports women's entrepreneurial skills development. Salient conclusions can be drawn from both the quantitative and qualitative results presented above (Section 5.9 and 5.10). Women's communication skills and self-confidence are particularly enhanced through participating in group meetings, group decision making processes and increased financial independence from their spouses after joining microfinance. Microfinance training helped women gain enhanced business skills regarding stock taking, record keeping and basic profit computational skills. The weekly loan repayment system increased women's financial discipline and planning skills. Lastly, women experienced greater awareness and use of financial services, which has positive implications on women's financial literacy and confidence. The results of the in-depth interviews confirm the results of the quantitative analysis above (regression analysis (Section 5.7), therefore, H2 is upheld.

5.11 Microfinance impact on Women Economic Empowerment (H3)

Since microfinance attained popularity in the mid-1970s in Bangladesh, it has largely favoured women, so obviously, that it's biased against men is not in doubt (Armendariz & Roome, 2008). The women-focused model has gained widespread acceptance in the last decade, and according to the Microcredit Summit Campaign Report 2015, over 74 per cent of the (157,695,359 of 211,111,547 clients) borrowers served by microfinance institutions are women (Microcredit Summit Campaign, 2015). It is argued that microfinance's preference for women is embedded in its quest to alongside reducing poverty, to empower women who face severe inequality and neglect in many developing countries. It is against this background that this study seeks to examine microfinance's impact on women's empowerment. To adequately assess this, the study investigated a microfinance NGO which serves entirely women clients and whose core motive is to empower women through microfinance.

Women's empowerment has been assessed from diverse perspectives in the literature. These range from dismantling barriers to women's access to resources, the ability to use resources for their chosen projects, the ability to contribute to family well-being, the ability to express their voice, the ability to take independent decisions as well as a reduction in domestic violence and abuse. Previous studies (Feigenberg, et al., 2014; Kabeer, 2010; Hassan, 2014) have also cited women's development of social capital as an empowerment outcome of microfinance. In general, Cheston and Kuhn (2002) argue that "empowerment is about change, choice, and power. It is a process of change by which individuals or groups with little or no power gain the power and ability to make choices that affect their lives".

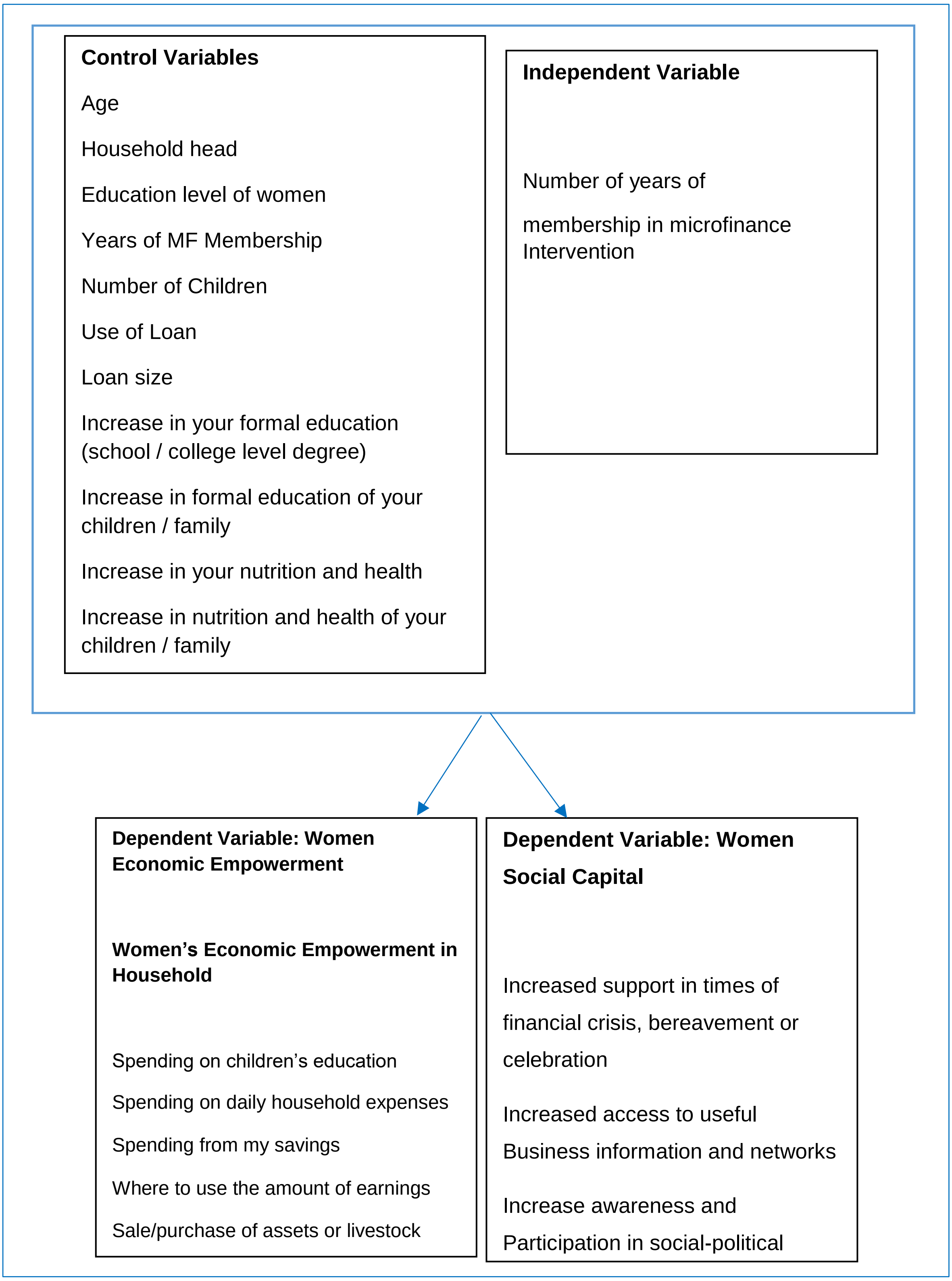
Therefore, the second research question is:

b) Do microfinance services empower women and improve their social capital development?

To answer the research question, two hypotheses have been developed based on the literature review and pilot study conducted during data collection.

- ◊ **H3=** Microfinance services have a positive impact on women's economic empowerment
- ◊ **H4=** Microfinance services have a positive impact on women's social capital development.

Figure 5. 5 Independent, Dependent variable and indicators

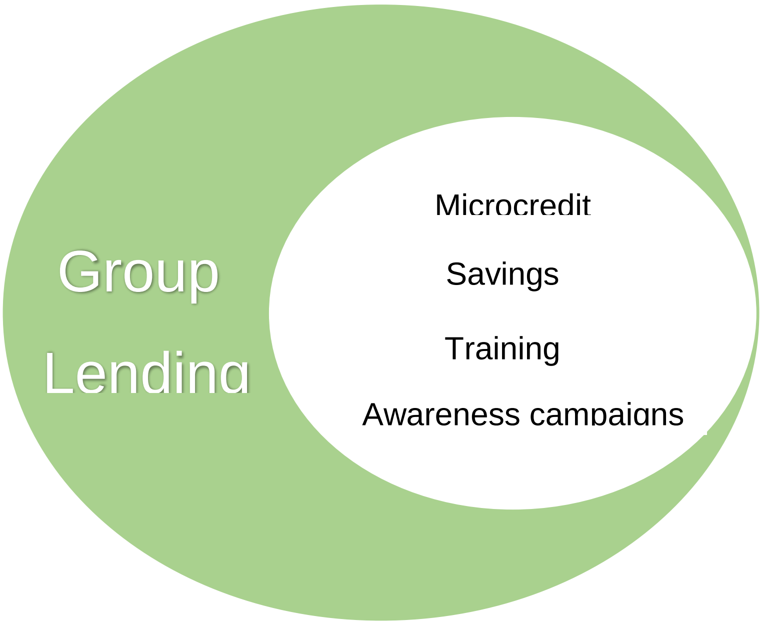


Source: Author (2018).

In this study, the indicators of women's economic empowerment are related to women's autonomy of decision making regarding the use of money on household welfare such as spending on daily household expenses, spending from her savings, where to use the amount of earnings, sale/purchase of assets or livestock, spending money on women's health, spending money on children's /family health, spending money on women's education and spending on children's education. The indicators for social capital development are increased support in times of financial crisis, bereavement or celebration, increased access to useful business information and networks and increased awareness and participation in social /political events. All these indicators are included after a careful evaluation of microfinance, poverty and empowerment studies in the literature review chapter.

Figure 5.4 above graphically present the variables explored in this study. It shows that there are fourteen control variables and one dependent variable. There are two dependent variables: Economic Empowerment and Social Capital development based on two hypotheses H3 and H4. The second research question regarding the impact of microfinance services on women's empowerment and social capital development is investigated here. In the context of the microfinance NGO under study, microfinance consists of microcredit, savings, training, awareness programmes, other benefits and the group lending methodology through which participants engage with the intervention and with each other. Therefore, the economic empowerment and social capital variables are not only affected by the loan facility but by other services and frameworks through which microfinance intervention is delivered. Figure 5.5 below presents the microfinance delivery framework and the various services of the Better Livelihood Centre.

Figure 5. 6 Better Livelihood Centre Microfinance Intervention



Source: Author (2018)

The independent variable of years of membership is considered a prime variable of interest given that women's empowerment and social capital development is affected by exchanges that occur as a direct result of joining the intervention. Other studies (Onyina & Turnell, 2013; Khandker & Samad, 2013; Angelucci, et al., 2015) have considered the years of membership as an important variable for assessing the impact of microfinance on poor recipients. Loan size and use of loan are included in the model as control variables alongside other demographic variables: Age, Household head, Education level of women and Number of Children. Increased informal education of your children / family, nutrition and health of women, nutrition and health of your children / family, informal support from male members of the family (moral support, advice, physical help) and encouragement from husband/family heads to participate in outside activity are control variables included in the model. An additional control variable of a decrease in household/family conflicts was included to assess the impact of microfinance on family coercion. The aforementioned variables were included in both models for women's empowerment and social capital development seen below.

P (Women Empowerment)

$$= \frac{1}{1+\varepsilon^{-(\beta_0+\beta_1 membershipyear+\beta_2 age+\beta_3 Householdhead+\beta_4 Educwomen+\beta_5 N0Childn+\beta_6 UseofLoan+\beta_7 Loansize+\beta_8 InwoEdu+\beta_9 InchildEdu+\beta_{10} Inwonutri\&health+\beta_{11} Inchildnutri\&health+\beta_{12} Insuppt+\beta_{13} DecrFamcon+\beta_{14} Encohusb)}}$$

P (Social Capital)

$$= \frac{1}{1+\varepsilon^{-(\beta_0+\beta_1 membershipyear+\beta_2 age+\beta_3 Householdhead+\beta_4 Educwomen+\beta_5 N0Childn+\beta_6 UseofLoan+\beta_7 Loansize+\beta_8 InwoEdu+\beta_9 InchildEdu+\beta_{10} Inwonutri\&health+\beta_{11} Inchildnutri\&health+\beta_{12} Insuppt+\beta_{13} DecrFamcon+\beta_{14} Encohusb)}}$$

5.11.1 Chi-Square Test: Women's economic empowerment in the household

To investigate the impact of microfinance on female empowerment, the Chi-square Test was first conducted between indicators of women's empowerment and the microfinance loan size. The results from Table 5.10 below show that there is a positive impact on loan size and women's empowerment in the household with an associated significance level of p= .020. This suggests that women's empowerment in the household is strongly correlated with microfinance loans and more specifically, a higher loan size was found to have contributed more to the strong relationship.

Table 5. 10 Chi-square Test on women's empowerment in household and microfinance loan size

Current loan size * Economic Empowerment Cross tabulation						
			Economic Empowerment			Total
			Disagree	Neutral	Agree	
Current loan size	less than 90,000	Count	0	50	115	165
		Standardized Residual	-1.4	-1.1	1.0	
	90,000+	Count	4	74	107	185
		Standardized Residual	1.3	1.0	-1.0	
Total		Count	4	124	222	350

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.816[a]	2	.020
Likelihood Ratio	9.365	2	.009
Linear-by-Linear Association	6.633	1	.010
N of Valid Cases	350		
a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 1.89.			

Source: Author (2018)

Similarly, when women's empowerment was further investigated, with years of membership in the intervention, the Chi-square Test of women's empowerment and years of membership with microfinance depicted a positive relationship between years of membership in microfinance and women's empowerment with an associated significance level of p= .003. (Table 5.11). The result suggests that women's empowerment is strongly correlated with a membership of microfinance and more specifically, participants who have spent 3-5 years duration in the intervention were found to have contributed more to the significant relationship (Table 5.11).

Table 5. 11 Chi-square Test on women's empowerment in household decisions and number of years of membership with a microfinance institution

years of Membership in MF * Economic Empowerment Cross tabulation						
			Economic Empowerment			Total
			Disagree	Neutral	Agree	
Years of Membership in MF	3 years - 5 years	Count	3	104	210	317
		Standardized Residual	-.3	-.8	.6	
	6years+	Count	1	20	12	33
		Standardized Residual	1.0	2.4	-2.0	
Total		Count	4	124	222	350

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	11.863[a]	2	.003
Likelihood Ratio	11.208	2	.004
Linear-by-Linear Association	11.815	1	.001
N of Valid Cases	350		
a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is .38.			

Source: Author (2018)

The conclusions are that Microfinance services have a relationship with women's economic empowerment. Thus, from these results, it is possible to suggest that participation in microfinance could impact on women's empowerment. The relationship between microfinance and women's empowerment was further analysed using ANOVA. The results of the ANOVA analysis are given in Table 5.12.

Table 5. 12 TWO WAY ANOVA: Women's empowerment in household decisions and a number of years of membership with a microfinance institution.

Tests of Between-Subjects Effects						
Dependent Variable: Economic Empowerment						
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	3.720[a]	2	1.860	7.461	.001	.041
Intercept	1055.190	1	1055.190	4233.076	.000	.924
CurrentLoan2	.665	1	.665	2.669	.103	.008
Number of years in MF	2.005	1	2.005	8.043	.005	.023
CurrentLoan2 * Number of years in MF	.000	0	.	.	.	.000
Error	86.498	347	.249			
Total	2498.000	350				
Corrected Total	90.217	349				
a. R Squared = .041 (Adjusted R Squared = .036)						

Source: Author (2018)

Table 5.12 shows that there is a statistically significant impact of years of membership in microfinance on women's empowerment (F=8.043, p=.005). The effect size (Partial Eta Squared) for years of membership is relatively high at 23%. However, the microfinance loan is statistically non-significant (F=2.669, p=.103). The ANOVA results provide mixed findings which partly contradict the results of the Chi-square test. Although both the results from the Chi-square and ANOVA have provided insight into the relationship between microfinance and women's empowerment, the regression analysis and the analysis of interviews provide more in-depth insights as to how this relationship is evidenced.

5.12 Dependent Variables and Their Combination for Regression Analysis

The dependent variable for women's empowerment had seven sub-variables, whilst for social capital development, there were three initial variables. These variables were composited as detailed in Section 5.7 to ensure their suitability for ordinal regression analysis. Similar to the approach used for the earlier analysis, (microenterprise growth and women entrepreneurship), all the categorical variables for the independent variables were reduced by merging categories having fewer responses to ensure ease and a better interpretation of the findings. For instance, the age of respondents was reduced from five categories to two categories (18-39 and 40+ years). The control variable of Decrease in household/family conflicts which was negatively worded was reversed to prevent response bias (Pallant, 2013). The independent variables and control variables were tested for multicollinearity. All the values of tolerance are greater than 0.1 (the lowest is 0.672) and VIF values are much less than 10, clearly indicating that there was no problem of multicollinearity. The logistic regression model assesses the effect of microfinance on women's economic empowerment.

5.12.1 Ordinal Regression Analysis for women's economic empowerment

The model in this study is well fitted as it is highly significant at .000 which means that a null hypothesis can be rejected given that the model without predictors is as good as the model with the predictors. The parallel line is non-significant hence meeting the assumption of proportional odds. The goodness-of-fit measure in Deviance indicated that the model was good at χ^2 (337) = 376.241, p = .069 but the Pearson differed. Due to the difference in the goodness-of-fit results between the Deviance and Pearson, the assumption of over-dispersion is checked by dividing the value of the Chi-square of Pearson by its degree of freedom. As the resultant Figure is below 2, (see below) therefore there is no problem of over-dispersion.

Pearson = X^2Pearson/df = 389.562/ 337 =1.15

Deviance = X^2Deviance/df = 376.241/ 337 = 1.16

The regression analysis result from Table 5.13 below shows that the years of membership of up to three years has a statistically significant effect, X^2 (1) = 9.437, p= .002 and the positive coefficient indicates a higher cumulative score. This implies that for women who have been in the intervention for up to 3 years, the odds of scoring high (being in a higher category) on the dependent variable (women's empowerment) is about five times higher (4.58) compared to women who have spent over three years and above in the intervention, given the other variables are held constant in the model. Therefore, it concludes that women who have been in the intervention for up to 3 years are much more likely to agree that microfinance has an impact on women's empowerment than women with over three years of membership.

Results from the cross tabulation of women's empowerment and years of membership in Appendix A Table 3i show that of the 63.4% of women who agree to microfinance impacting on women empowerment, 60% fell under those who have only spent up to three years in the intervention. Of the 35.4 % of women who were neutral to microfinance's impact on women empowerment, 29.7% were women with up to three years and 5.7% were women who had spent over 3 years with the intervention. Only 1.1% of the respondents disagreed to microfinance impacting on women's empowerment with 0.9% and 0.3% for women under three years and women over three years respectively. Overall, the result indicates that women with up to three years in microfinance are more likely to agree that microfinance promotes women's empowerment than those who had spent over three years in microfinance.

Table 5. 13 Ordinal Regression Analysis for women's economic empowerment in the household

Parameter Estimates									
		Estimate	Std. Error	Wald	df	EXP B	Sig.	95% Confidence Interval	
								Lower Bound	Upper Bound
Threshold Economic empowerment	Agree	-3.571	1.223	8.522	1		.004	-5.968	-1.173
	Neutral	.822	1.131	.529	1		.467	-1.394	3.039
	Disagree	-	-	-	0		-	-	-
Location Age	18-39 years	.152	.290	.276	1	1.16	.600	-.417	.721
	40 + years								
Years of MF Membership	less than 3 years	1.521	.495	9.437	1	4.58	.002	.550	2.491
	4 + years	0^a	.	.	0		.	.	.
Household head	Woman	-.130	.642	.041	1	0.88	.840	-1.387	1.128
	Husband	-.714	.574	1.549	1	0.48	.213	-1.839	.410
	Other household head	0^a	.	.	0		.	.	.
Women Educational level	No education	-.049	.593	.007	1	0.95	.934	-1.210	1.113
	Elementary education	.262	.592	.196	1	1.29	.658	-.897	1.422

	Degree	0a	.	.	0		.	.	.
Number of Children	No children	.074	.632	.014	1	1.08	.907	-1.164	1.312
	1-4 Children	1.344	.307	19.197	1	3.83	.000	.743	1.946
	5 + Children	0a	.	.	0		.	.	.
Loan Size	less than ₦ 90,000	-.188	.301	.389	1	0.15	.533	-.777	.402
	₦ 90,001 +	0a	.	.	0		.	.	.
Use of microcredit	Use in Business	-1.145	.512	5.003	1	0.32	.025	-2.149	-.142
	Use for other purpose	0a	.	.	0		.	.	.
Increase in women's education	Yes	1.486	.313	22.604	1	4.42	.000	.873	2.098
	No	0a	.	.	0		.	.	.
Increase in children's education	Yes	-.950	.371	6.559	1	0.39	.010	-1.678	-.223
	No	0a	.	.	0		.	.	.
Increase in women's nutrition & health	Yes	.497	.451	1.215	1	1.64	.270	-.387	1.380
	No	0a	.	.	0		.	.	.
Increase in children/family nutrition & health	Yes	-.423	.354	1.425	1	0.66	.233	-1.118	.272
	No	0a	.	.	0		.	.	.
Increase in support from male family members	Yes	-1.347	.379	12.652	1	0.26	.000	-2.089	-.605
	No	0a	.	.	0		.	.	.
Decrease in household/family conflicts	Yes	1.184	.351	11.399	1	3.27	.001	.496	1.871
	No	0a	.	.	0		.	.	.
Increase in encouragement from HH to engage outside the family	Yes	-.231	.343	.452	1	0.79	.501	-.904	.442
	No	0a	.	.	0		.	.	.
	Link function: Logit.								
	a. This parameter is set to zero because it is redundant.								

Source: Author (2018)

Women with between 1-4 children have a statistically significant effect, X^2 (1) = 19.197, p= .000 and the positive coefficient indicates a higher cumulative score. This implies that for women with between 1-4 children, the odds of scoring high (being in a higher category) on the dependent variable (women empowerment) is close to four times (3.83) compared to women with no child or with 5 or more children given the other variables are held constant in the model. Therefore, it concludes that women with between 1-4 children are much more likely to agree that microfinance has an impact on women's empowerment than women with no child or with 5 or more children. The results of the ordinal logistic regression, however, indicate that the relationship is non-significant in the case of women without children. Again, the cross-tabulation (Table 3j, Appendix A) of women's empowerment and a number of children indicates that of all the respondents, 63.4% agree to an increase in women's empowerment while 35.4% and 1.1% were neutral and disagree respectively. Of the 63.4% of respondents who agree to microfinance's positive impact on women empowerment, 44.9 % were women with 1-4 children compared to 15.4% and 1.1% who were neutral and disagree respectively.

Other results from the regression analysis show that women whose household experiences: an Increase in women education, increase in children's education, increase in support from male family members and a decrease in household/family conflicts had statistically significant effects (p=.000, .010, .000, .001 respectively) and a positive coefficient which indicates a higher cumulative score except for the Increase in children Table 5.13 which shows that for women whose household experiences Increase in women's education, increase in children's education, increase in support from male family members and a decrease in household/family conflicts, the odds of scoring high (being in a higher category) on the dependent variable (women empowerment) is close to 4.42, 0.39, 0.26, 3.27 times respectively, compared to women who had no experience of any such benefits. Therefore, the statistically significant value suggests that women who have experienced such forms of progress in their family are more likely to agree to microfinance positively impacting on women's empowerment compared to other women who had no such experience. The regression results show that other variables on the model were non-significant, implying that there was no relationship between microfinance and women empowerment.

In summary, Table 5.13 above indicates that the number of years of microfinance membership, women with 1-4 children, increase in women's education, increase in children's education, increase in support from male family members and a decrease in household/family conflicts are significant variables. The results suggest that there is the possibility of an increase in women's empowerment for relatively newly joined borrowers compared to borrowers who have spent over 4 years in microfinance. This implies that a significantly positive relationship has been found to exist between the participation in microfinance and the increase in women's empowerment in this study. This agrees with the results from the Chi-square test and ANOVA (Section 5.11.1 and 5.11.2), thus demonstrating the robustness of the evidence. Therefore, the **H3** is supported; however, the results of women's empowerment are further explored by interviews to enable us to understand the overall impact of microfinance on women's empowerment and where the impact has occurred.

5.13 Results from face to face Interviews

To address the points raised in the quantitative analysis (Section 5.12), this Section employs qualitative tools to provide a deeper insight into the impact of microfinance and women's economic empowerment.

5.13.1 Women Enhanced Family Status

As discussed in Section 5.8.3 above, the present study investigates women's economic empowerment in the context of women's autonomy in making decisions on household welfare expenditures and control over the use of business income and savings. Results from the qualitative interviews show that 75% of the women claimed that they have been empowered through their participation in microfinance. They attribute their empowerment to being able to raise funds to engage in business activities which enabled them to consistently make a financial contribution towards the housekeeping costs of their families. This finding was supported by the focus groups (11 groups) and the same was the case where individuals were interviewed. The quotes below from four respondents provide more insights to the above assertion:

Interviewee WM18

"When I did not have money, I was not allowed to make any decision in the house but now, I have income, and even my children come to me first when they need money".

Interviewee WM19

"Since I joined microfinance, I am empowered because I have used profits from my first loan to pay the tuition fees of my children. Something I couldn't do before".

Interviewee WM17

"When I could not contribute financially to the house, my husband makes all the decisions. But since I support a family with my earnings, my husband does not do anything without consulting me."

Interviewee WM18

"I have used the money to train my children through education, feed and pay medical bills".

These responses above, illustrate that women use their income for the betterment of their family through investment in children's education, health care and food. Furthermore, their earnings endow them with enhanced status amongst family members. These findings are corroborated by Swain & Wallentin (2009); they reported that women who engaged in successful enterprise gained a greater say in household decisions. Several other studies have shown that women's family status is enhanced by participation in microfinance. Kato & Kratzer (2013) in their study of 305 participants of microfinance in Tanzania also found that microfinance, to a large extent contributes to women's greater roles in decision-making, greater self-efficacy and self-esteem, and greater freedom of mobility and increased activities outside the home. Similarly, Moyle et al, (2007) found that microfinance contributes to economic empowerment which leads to the survival, security and growth of women microenterprises.

The findings of the current study suggest that an increase in women's earnings and financial contribution to their family is likely to modify the male financial dominance structure of the traditional Nigerian family akin to male breadwinners and female housewives. It is both a cultural and social expectation for women to depend on their husbands as to the head of the family (Haile, et al., 2012). However, Belch & Willis (2002) showed in their study that the family structure of themodern-day presents a shift from the male breadwinner to joint and female breadwinners leading to women increasingly taking on more roles in the family and consequently gaining more influence in more decision areas. The present study finds that by earning an income and taking on more financial responsibility in the family, the women bolster their ability to contribute to household decision making. For instance, decisions regarding the choice of school for the children were largely taken by the women because they were responsible for paying the tuition fees. More so, it was gathered that the children were more likely to first consult their mothers when they required financial assistance due to their awareness of the strong financial status of the women in the family. Therefore, women's empowerment suggests that women develop an enhanced capacity to take on household decision making roles and responsibilities hitherto assumed by the male household head, and that is bound to affect the dynamics of traditional household structures in Nigeria. For instance, Johnson, (2005) and Mayoux, (2001) contends that an increase in women's income and contribution to family welfare could induce men to withdraw or reduce their contributions to the family, thus, placing the expenditure burden on the woman.

However, Moyle et al, (2007) also stressed that microfinance participation does not fulfil higher level economic empowerment such as women's ownership and control of the household assets. This result is confirmed by the present study which finds that women's exercise of control was limited to non-durable consumables (food, tuition fees and healthcare). Control of spending on family assets such as land and buildings remained under the firm control of the male family head largely due to prevailing cultural norms. For instance, in all the 10 visited communities, it was customary for men to lead, negotiate and carry out purchases of family assets (lands, building) and any suggestion to the contrary could have a negative effect on family cohesion. In South Asia, decisions such as the buying and selling of land and property remain outside the control of women's decision-making (Dahal, 2014; Swain & Wallentin, 2014). This is supported by evidence from Bangledesh, Chowdhury & Chowdhury (2011) found that women's household assets accumulation was limited to non-land assets such as kitchen utensils. Upon this backdrop, women were unsurprisingly happy to relinquish control to their husbands even though it is the woman's income that is used for such investment. Women's lack of authority over land family assets means that they are unable to divert income from these sources towards loan repayments and the purchase of personal items such as clothes, shoes and jewellery (Garikipati, 2008). A recent study in Ghana found that women were forbidden by men to own productive assets such as land and livestock (Jenkins & Batinge, 2018). Chowdhury & Chowdhury (2011) stressed that such owning and controlling of low-level household assets may not necessarily lead to greater empowerment for women. Therefore, the findings from this study support the rarely made suggestion that women's empowerment may increase when credit is offered within a larger framework that includes the cultural acceptance of women ownership and control of family assets (Kumar, 2013; Dalal, 2011).

5.13.2 Women spending on Education of Children

The study gathered that over 80% of the women used their earnings from business activities mainly for the education of their children, which is traditionally the men's responsibility. Similarly, other studies have also found that children's education improves with women's access to microfinance (Bhuiyan, et al., 2013; Hiatt & Woodworth, 2006), but did not give reasons for women's investment in children's education. In a broader study, Kabeer (1999) found that children of female microfinance borrowers were more likely to be at school than children of male borrowers of the same intervention. The present study provides some insight to substantiate women's preference for investing in children's education in the following quote from the in-depth interview with a respondent:

Interviewee WM19

"Due to poverty, I couldn't go to school and that is why I am in this poor state but since I started making money from my business, I am determined to send my children to school so that they do no end up poor like us. I do not mind that my husband uses his money to drink and go after girls".

The emerging narrative from the response above suggests that women recognise that educating their children provides them with broadened opportunities to acquire skills and the capacity to raise their standard of living. This idea is born out of the understanding that the women's current poverty situation is not unconnected with low education and skills levels, thus, the assumption that the education of their children could help to break the circle of poverty in the family. Therefore, women consider the investment in children's education as an asset building strategy with possible strong future returns on investment in the form of better employment or business prospects for their children, leading to higher living standards. On the contrary, male family heads were more interested in spending their incomes on alcohol, girlfriends and extended family matters.

5.13.3 Autonomy over Spending from Savings and Income

Concerning, women's control over spending from their savings, the emerging narratives from the interviews indicate that decisions regarding spending from savings accounts were entirely the prerogative of the women, as explained by a respondent:

Interviewee WM20

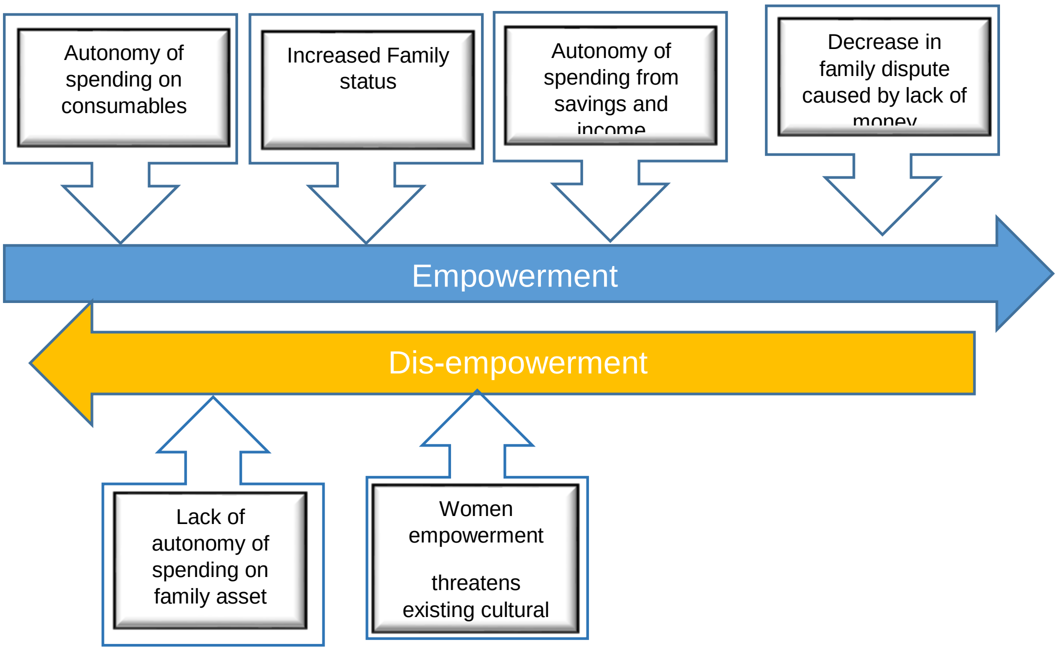
"My saving is my money and I use it where I like, I could put it into my business, use it for feeding my children or buy clothes for myself".

The response above illustrates that women consider their savings as an important part of their ingenuity and ability to accumulate money independent of their husbands and without recourse to employment, hence demonstrating full control over its accumulation and use. Garikipati, (2008) argues that women's ability to accumulate savings provides a boost to confidence in their own capability and worth and could also change the general attitude of household members. The finding of this study is confirmed by Kato & Kratzer (2013) who also found that participation in microfinance encourages women to take control of their savings and the income generated from their business. Furthermore, it is well-established in the literature that an economically active woman with her own independent savings and greater household income share has more economic power (Swain & Wallentin, 2014). In addition, it strengthens a woman's bargaining position within the household, so much so that they are better able to make an independent decision as well as play a more decisive role in joint decisions thereby making her more empowered (Kato & Kratzer, 2013).

5.13.4 The decrease in Family Dispute

Results from the in-depth interviews also suggest that microfinance contributed to decreasing family disputes often due to lack of money. By participating in microfinance, women could access microcredit, expand their businesses and earn an income which is often used to support their husbands by sharing household expenditure. This helps to reduce the tension and stress in the relationship between the husband and wife. This finding confirms the result of the quantitative analysis (Section 5.8.4) of the decrease in household/family conflicts variable being statistically significant. Both the qualitative and quantitative findings of this study are corroborated by Kim et al., (2007) who found that reductions in intimate partner violence were attributed to women's participation in microfinance. They found that increased income and social capital enabled women to challenge the acceptability of violence, to expect and receive better treatment from partners, leave abusive relationships, and to raise public awareness about intimate partner violence (IPV). However, a recent study (Schuler, et al., 2017) argues that on a macro level, women's empowerment may be protective against IPV, but this relationship can be subverted at the micro level. Furthermore, a broader study of Salia et al., (2018) in Ghana found that the economic empowerment benefits of microfinance for women also directly contributed to conflicts amongst spouses, girl child labour, polygyny and the neglect of perceived female-domestic responsibilities due to women's devotion to their enterprises. These results are interesting considering that the empowerment literature (see Mayoux, 2000) has placed more emphasis on socio-economic and political activities that promote women's empowerment, whilst, very little is known about how the empowerment of women fits into the larger more established cultural framework of a patriarchal society such as Nigeria. Although the present study suggests that women's empowerment reduced family conflict caused by lack of money, there is a need for further research to explore how women's empowerment affects family cohesion in an African context where male dominance is entrenched within the society.

Figure 5. 7 Summary of findings on women's economic empowerment



Source: Author, (2018)

In summary (as graphically presented in Figure 5.6), the study finds that as women engaged in economic activities and earned income, they contributed to family upkeep which allows them to exercise more control over household decisions (particularly on expenditure on food, children's healthcare and education) and control over the allocation of resources within the household economic portfolio. However, such control is limited to non-durable consumable; control over spending on family assets (lands, buildings) are culturally handled by the male family head. The results from the study also suggest that an increase in women's earning capacity and savings accumulation may not only alter the dynamics of family structures but also change members' attitudes towards women. Also, women's reduced dependency on their husbands for things such as food money and children's tuition fees also strengthen their position in the household. Ultimately, the results from both the quantitative and qualitative data are similar to the findings of Malik, (2017) and Swain & wallentin (2009) that microfinance contributes to women empowerment. Therefore, the results from the interview support those of the quantitative analysis (Section 5.8.4) that H3 is supported. The findings show that microfinance has a positive impact on some aspects of women's empowerment such as the control of spending on consumption and nondurables. However, the study supports Salia et al., (2018) in raising concerns about how women's empowerment threatens existing cultural frameworks and the unintended outcomes of such impacts on family cohesion.

5.14 Microfinance Impact on Women's Social Capital Development (H4)

5.14.1 Chi- Square Test: Women's social capital development

To investigate the relationship between microfinance and women's social capital development, a Chi-square Test was first conducted between women social capital development and the number of years of membership. The results from Table 5.14 below show that there is a positive relationship between the number of years of membership and women's social capital development with an associated significance level of p= .045. This suggests that women's social capital development is strongly correlated with the number of years of membership with a microfinance institution and more specifically, participants of between 6+years were found to have contributed more to the significant relationship.

The conclusion is that Microfinance services have a positive impact on women's social capital development. This result seems to support the argument made in the literature that participation in microfinance may impact on women's social capital development. The between microfinance and women's social capital development was further analysed using ANOVA. The results of the ANOVA analysis are given in Table 5.15.

Table 5. 14 Chi-square Test on Women's Social Capital development and number of years of membership with a microfinance institution

Years of Membership in MF * Social Capital Development Cross tabulation

			Social Capital Development			Total
			Disagree	Neutral	Agree	
Years of Membership in MF	3 years - 5 years	Count	11	40	266	317
		Standardized Residual	.3	.6	-.3	
	6years+	Count	0	0	33	33
		Standardized Residual	-1.0	-1.9	.9	
Total		Count	11	40	299	350

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6.215[a]	2	.045
Likelihood Ratio	10.964	2	.004
Linear-by-Linear Association	5.465	1	.019
N of Valid Cases	350		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 1.04.

Source: Author, (2018)

Table 5.15. below shows the ANOVA results which indicate that there is a statistically significant impact regarding years of membership in microfinance on women's social capital development (F=5.536, p=.019). The effect size (Partial Eta Squared) for years

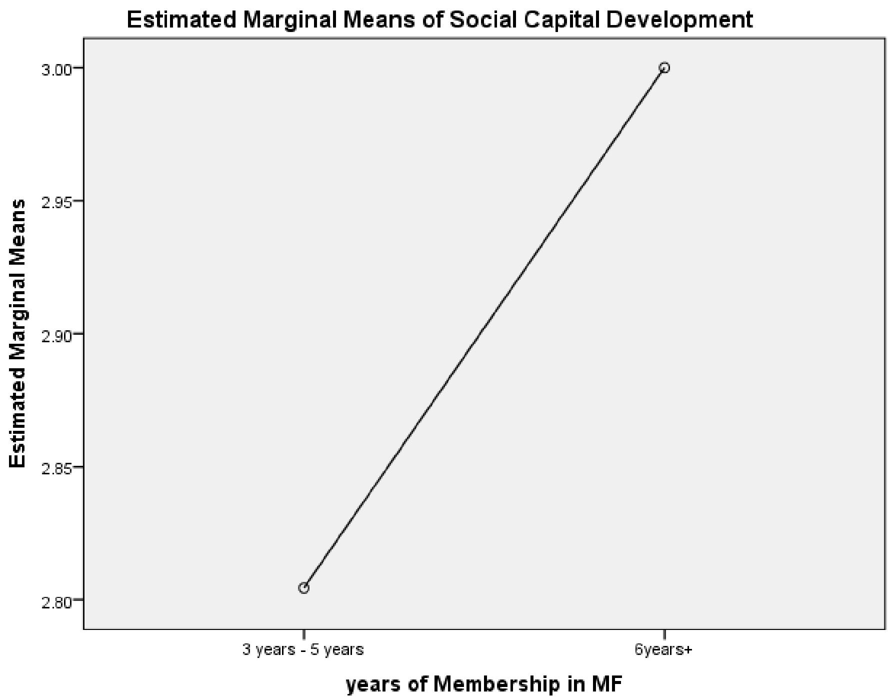
of membership is relatively high at 16%. An analysis of the ANOVA test plot (Figure 5.7) provides further insight regarding the impact contributors on the dependent variable. Figure 5.7 demonstrates that participants with 6+years in microfinance are likely to experience improved social capital compared to new participants. In general, the ANOVA results support the results of the Chi-square test (Table).

Table 5. 15 TWO WAY ANOVA: Women's Social Capital development and number of years of membership with a microfinance institution

Tests of Between-Subjects Effects						
Dependent Variable: Social Capital Development						
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	1.143[a]	1	1.143	5.536	.019	.016
Intercept	1006.983	1	1006.983	4875.631	.000	.933
MEMyearsinMF	1.143	1	1.143	5.536	.019	.016
Error	71.874	348	.207			
Total	2862.000	350				
Corrected Total	73.017	349				
a. R Squared = .016 (Adjusted R Squared = .013)						

Source: Author, (2018)

Figure 5. 8 ANOVA Plot



Source: Author, (2018)

In conclusion, the ANOVA analysis results in Table 5.15 and Figure 5.7 shows that there is a correlation between the predictor variables (years of membership in microfinance) and the response variable (women's social capital development). This result supports the results from the Chi-square (Table 5.13) of a strong relationship between microfinance and women social capital development. The regression analysis and the analysis of the interviews provide in-depth insights as to how these relationships are evidenced.

5.14.1.1 Ordinal Logistic regression for Women's Social Capital Development

The model in this study is well fitted as it is highly significant at .000 which means that a null hypothesis can be rejected given that the model without predictors is as good as the model with the predictors. The parallel line is non-significant hence meeting the assumption of proportional odds. The goodness-of-fit measure in Deviance indicated that the model was good at χ^2 (337) = 228.591, p = 1.000 but the Pearson differed. Due to the difference in the goodness-of-fit results between the Deviance and Pearson, the assumption of over-dispersion is checked by dividing the value of Chi-square of Pearson by its degree of freedom. As the resultant Figure is (see below) is below 2, therefore there is no problem of over-dispersion.

Pearson = X^2Pearson/df = 540.451/ 337 =1.60

Deviance = X^2Deviance/df = 228.591/ 337 = 1.16

The regression analysis result from the Table below shows women within the age group, 18-39 has a statistically significant effect, X2 (1) =7.072, p= .008 and the negative coefficient indicates a lower cumulative score. This implies that for women within the ages of 18-39, the odds of scoring high (being in a higher category) on the dependent variable (women's social capital development) is 0.27 times compared to women who fall within the 40 and above age bracket in the intervention, given the other variables are held constant in the model. The statistically significant value concludes that women within the age group 18-39 are much more likely to agree that microfinance has a positive impact on women's social capital development than women who fall within the 40 and above age bracket.

The regression analysis results from Table 5.16 below shows that the years of membership of up to three years has a statistically significant effect, X^2 (1) = 6.523, p= .005 and the negative coefficient indicates a lower cumulative score. This implies that for women who have been in the intervention for up to 3 years, the odds of scoring high (being in a higher category) on the dependent variable (women's social capital development) is 0.07 times compared to women who have spent over three years and above in the intervention given the other variables are held constant in the model. Therefore, it concludes that women who have been in the intervention for up to 3 years are much more likely to agree that microfinance has a positive impact on women's social capital development than women with over three years of membership. Results from the cross tabulation of women's social capital development and years of membership (Table 4e Appendix A) shows that of all the responses gathered from the survey, 85.4% of respondents agree to microfinance having a positive impact on women's social capital development as against 11.4% and 3.1% who were neutral and disagree respectively. Of the 85.4% who agree,76% were women who have spent less than 3 years in the microfinance intervention.

Table 5. 16 Ordinal Logistic regression for Women's Social Capital Development

		Parameter Estimates							
		Estimate	Std. Error	Wald	df	EXP B	Sig.	95% Confidence Interval Lower Bound	Upper Bound
Threshold Social Capital	Agree	-20.134	1.426	199.361	1		.000	-22.929	-17.339
	Neutral	-17.926	1.423	158.657	1		.000	-20.715	-15.136
	Disagree	-	-	-	0		.	-	-
Location Age	18-39 years	-1.291	.486	7.072	1	0.27	.008	-2.243	-.340
	40 + years	0a	.	.	0		.	.	.
Years of MF Membership	less than 3 years	-2.649	.333	6.523	1	0.07	.005	-9.155	-.486
	4 + years	0^a	.	.	0		.	.	.

Household head	Woman	1.505	.818	3.382	1	4.50	.066	-.099	3.109
	Husband	.880	.649	1.840	1		.175	-.391	2.151
	Other household head	0a	.	.	0		.	.	.
Women Educational level	No education	1.064	.655	2.641	1	2.89	.104	-.219	2.348
	Elementary education	1.801	.657	7.519	1	6.06	.006	.514	3.088
	Degree	0a	.	.	0		.	.	.
Number of Children	No children	1.064	1.228	.750	1	2.89	.386	-1.343	3.471
	1-4 Children	.282	.437	.417	1	0.28	.518	-.574	1.139
	5 + Children	0a	.	.	0		.	.	.
Loan Size	less than ₦ 90,000	.722	.446	2.627	1	2.06	.105	-.151	1.596
	₦ 90,001 +	0a	.	.	0		.	.	.
Use of microcredit	Use in Business	1.165	.599	3.777	1	3.21	.052	-.010	2.340
	Use for other purpose	0a	.	.	0		.	.	.
Increase in women's education	Yes	1.771	.461	14.781	1	5.88	.000	.868	2.673
	No	0a	.	.	0		.	.	.
Increase in children's education	Yes	-.326	.520	.393	1	0.72	.531	-1.346	.694
	No	0a	.	.	0		.	.	.
Increase in women's nutrition & health	Yes	.181	.650	.078	1	1.19	.781	-1.092	1.454
	No	0a	.	.	0		.	.	.
Increase in children/family nutrition & health	Yes	2.095	1.086	3.725	1	8.13	.054	-.032	4.223
	No	0a	.	.	0		.	.	.
Increase in support from male family members	Yes	2.052	.727	7.967	1	7.78	.005	.627	3.477
	No	0a	.	.	0		.	.	.
Decrease in household/family conflicts	Yes	.340	.490	.481	1	1.40	.488	-.620	1.300
	No	0a	.	.	0		.	.	.
Increase in encouragement from HH to engage outside the family	Yes	-.241	.506	.227	1	0.78	.634	-1.232	.751
	No	0a	.	.	0		.	.	.
	Link function: Logit.								
	a. This parameter is set to zero because it is redundant.								

Source: Author, (2018)

Table 5.16 shows that women's education level is another significant variable. The category of elementary education has a statistically significant effect, X^2 (1) = 7.519, p= .006 and the positive coefficient indicates a higher cumulative score. This implies that for women with elementary education, the odds of scoring high (being in a higher category) on the dependent variable (women's social capital development) is over six times higher (6.06) compared to women with no education, given the other variables are held constant in the model. Thus, it concludes that women with elementary education are much more likely to agree that microfinance has a positive impact on women's social capital development than their uneducated peers. Similarly, results from the cross tabulation of women's social capital development and women's educational level (Table 4f Appendix A) shows that of the of 85.4% of respondents that agree to microfinance positively impacting on women social capital development, women with elementary education accounted for 44.6% compared to 38.0% and 2.9% of uneducated women and women educated to degree level. Women without education was a statistically non-significant variable.

Two more variables of: increase in women's education and increase in support from male family members has statistically significant effects, X2 (1) = 14.781p= .000 and X2 (1) = 7.967, p= .005 respectively. Both variables have a positive coefficient which indicates higher cumulative scores. Table 5.16 shows that for women who experienced an increase in education, the odds of scoring high (being in a higher category) on the dependent variable (women's social capital development) is close to six times higher? (5.88 than women with no increase in education given that the other variables are held constant in the model. Thus, it concludes that women who experienced an increase in education are much more likely to agree that microfinance has a positive impact on women's social capital development than women with no increase in education. Similarly, for women with an increase in support from male family members, the odds of scoring high (being in a higher category) on the dependent variable (women's social capital development) is over seven times (7.78) more than women with no women with Increase in support from male family members. Thus, it concludes that women with an increase in support from male family members are much more likely to agree that microfinance has a positive impact on women's social capital development than women with no increase in support from male family members.

In summary, Table 5.16 shows that age, years of membership, women's educational level and women with an increase in support from male family members are statistically significant variables. The result suggests that there is a possibility of microfinance having a positive impact on women's social capital development. Therefore, the H3 is supported; however, the results of women's social capital development are further explored by interviews to enable us to understand the overall impact and possibly, where the impact has occurred.

5.15 Results from face to face Interviews

Following Bourdieu's theory (2011) that social capital increases women's social power, this Section employs qualitative interviews to provide a deeper insight into the microfinance impact on women's social capital development. The underlying assumption here is that since social capital increases social power, and empowerment is about "choice and power" (Cheston & Kuhn, 2002), the development of social capital could lead to women's empowerment.

5.15.1 Social Solidarity and mobilization

The in-depth interviews with women microfinance borrowers reveal that women received increased support in times of crisis and celebrations. The group lending mechanism employed in the delivery of microfinance by the NGO was particularly responsible for this experience. Several groups reported collectively mobilising to support members going through a crisis. Group leaders often spearhead mobilisations to collect donations for a bereaved member. Kozel and Parker (2000) report that social groups among poor villagers serve vitally important protection, risk management, and solidarity functions. Social solidarity from members of the group was important especially to the poor women whose family and relations lacked the financial capacity to provide any useful support at times of crisis. These emerging narratives are captured in the responses of three women presented below:

Interviewee WM21

"I lost my father last year on a day I was supposed to repay my weekly loan, my group rallied around and repaid the loan for me until I was able to stand on my fit again (return to my business)".

Interviewee WM22

“Before I joined microfinance, I did not have any support from anyone when I am facing any crisis but since I joined the group when I lost my husband, the group made financial contributions to support the funeral and they also attended. This made me realise that I have people that care about me”.

Interviewee WM23

“In our group when our member is hosting an event, we organise and buy an attire, we also attend as a group to show solidarity with our member and support her”.

The above quotes show that by participating in microfinance, women are able to harness the collective support of group members in critical times. For instance, members who were going through a crisis such as the loss of a loved on received monetary assistance from group members towards the funeral expenses. It was also common for members to individually visit their bereaved mates for moral support. On the actual day of the funeral, group members attend in mass to lend their support to their fellow mate in a comradery style. It is worthy of note that such shows of solidarity were not limited to crisis events but also extended to celebration ceremonies such as weddings, birthdays and anniversaries of members or their family members. These findings are in consonance with the findings of the Chi-square test which reported a significant result on increased support in times of financial crisis, bereavement or celebration.

The chanting of the group’s slogan “Better Livelihood! Prosperity!!!” at every group meeting or gathering further reassures members of the unwavering support from within the group. It was gathered that the women consider the group solidarity as a risk reduction mechanism and a contingency buffer structure that props them up at critical times when very little help could have emanated from anywhere else. These findings are consistent with the literature (Hoff, 2008; Wood & McKinley, 2010) that access to social groups widens the gateway of social inclusion and emotional support to the poor and excluded who desperately need them. The results from the in-depth interviews are further confirmed by recent studies (Mozumdar, et al., 2017; Amir, 2017; Wah, et al., 2017) which found that the group lending methodology employed by microfinance institutions promotes social solidarity and women's mobilisation for women empowerment.

5.15.2 Social Networking for Business Improvement

Group-based lending strategies regularly bring women into contact with each other, expanding their social networks and making them part of a non-family association. The group meetings frequency (weekly) being an indispensable part of group lending, allowed the women to network with members outside family circles for business purposes. These consistent interactions between group members facilitated cooperative behaviour by enabling individuals to sustain reciprocal economic ties (Feigenberg, et al., 2010). Specifically, through group meetings, women are able to draw on the business knowledge and experiences of other well-established members. Sharing of ideas about new business and product lines, sources of wholesale goods, cheaper transportation routes and other useful ideas that could help grow their businesses was a common practice. Three group members describe the remarkable difference this has made:

"Before I was involved in selling medicine but it was not profitable, when I joined the group, a fellow member of the group introduced me to food selling and now I am making more sales and profit from that than my previous business".

Interviewee WM24

"Through this group, I have come to know and make new friends, and because that I was able to purchase goods on credit from one of my friends in the group which could not have been possible if we were not in this group together".

Interviewee WM25

"I was a computer accessory seller, but the business became less profitable, a fellow member introduced me to popcorn business, now I am making more sales with this business".

The above quotes suggest that whilst microcredit unlocks access to credit for women borrowers, the group lending mechanism unlocks social networks that further advances opportunities for women. It does so by providing direct, unmediated economic interest in the relationships between group members and by providing opportunities for frequent interactions (Sanyal, 2009). Social networks generate positive incentives that stimulate collective economic cooperation amongst women. The specific mention of impacts on business survival and encouraging risk-taking behaviours into new more profitable ventures by women is commendable. The emerging narratives from the qualitative interviews clearly show that robust cooperation among group members, mutual trust and respect for each other are not only deemed essential for successful venturing and long-term growth orientation in women-owned businesses but are also considered indispensable for a firm's innovative capacity (Mozumdar, et al., 2017). Several women repeatedly mentioned that they learned how to plan, set goals and strategies for the coming year as interviewee reports:

"In my union, every end of the year we decide and plan on the next year together with our members".

These skills are not only useful in their businesses but are skills that the women carry all their lives. These findings are consistent with the findings of microfinance scholars. Afridi (2011) found that social networks enable the sharing of resources (time, expertise, support) and information (business opportunities, influence) that empowers the poor and helps them exit poverty. Similarly, in a recent study of microfinance and entrepreneurship in Nigeria, Babajide et al. (2017) found that female borrowers attributed their entrepreneurial success to extra support derived from participation in group meetings. Therefore, the social structures created by microfinance intervention (especially group lending) helps to augment microcredit and training services and consequently strengthens the frameworks for sustainably empowering women and helping them exit poverty. The findings of this study are further confirmed by previous studies (Morduch, 2000; Swain and Wallentin, 2009) which found a positive impact of microfinance on women's development and utilisation of social networks for business purposes.

5.15.3 Social and Political Awareness

In addition to credit and training, the microfinance initiative provides other healthcare awareness programmes that comprise of disease prevention and treatment techniques and general hygiene (see Section 5.1.2 for details). The awareness campaigns not only improve the health and hygiene knowledge levels of women, but they also empower them as change agents in their families and communities. For instance, after receiving training on hand washing to prevent bacterial infections, several women reported that the knowledge gained through the healthcare awareness programmes was often shared with members of their families and communities. The cascading effect of their efforts helped to improve the general level of awareness of the community on health-related issues. In return, the women experienced increased goodwill from household and community members and the legitimacy and reputation of their businesses soared. This finding is consistent with the literature as Liao and Welsch (2005) point out that the collective action of women in their communities raises the legitimacy and reputation of women enterprises. In agreement, Sanyal, (2009) argues that reputation may be important to these women because they are embedded in a context where women, particularly young women, are traditionally deprived of social recognition in the household and community. Therefore, it was symbolically important for the women to receive household and community-wide recognition and acknowledgement of their resourcefulness. The quote below from a respondent sheds more light on the above assertion:

Interviewee WM26

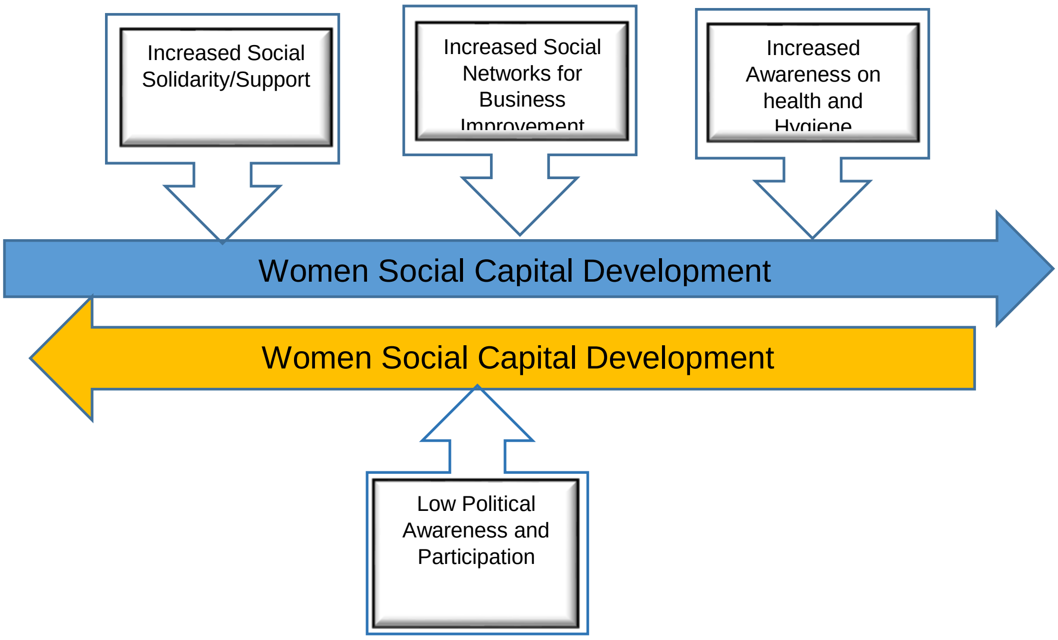
"Since I started participating in the health programmes, all the things I learn, I teach my husband, children and my extended family members. Now they have a lot of respect for me and the hold me in high regard"

However, women's political awareness and participation in the local and national electoral process remain at a low level as before joining microfinance. A majority of the women claimed they had not participated and quite frankly are not interested in political events such as elections. For instance, about 90% of the women do not possess the national identity card or voter's card required to vote in local elections.

The study believes that their non-participation in politics was not unconnected with the women's low education level and the absence of political awareness programmes within the microfinance initiatives. The lack of access to information and resources that enlightens and supports women's political engagement contributes to women's non-partisanship in politics. Although Maslow's hierarchy of needs model (1943) suggests that it may be unalarming to find poor women being inactive in politics given that their poor economic situations (physiological needs stage) compels them to focus their attention more on improving their economic situations than aspiring for other needs such as political engagements, other scholars of women's empowerment (Swain & Wallentin, 2014) suggest that deliberate actions to mobilise and enlighten women especially in rural areas are effective in stimulating their political participation. This is supported by evidence from Reddy & Manak (2005) and Hussain & Mahmood (2012) who both found that women's political participation increased due to their participation in political enlightenment programmes organised by microfinance. In a similar study of microfinance in India, Swain, (2006) attributed women's increased participation in village politics to their involvement in microfinance intervention.

The exclusion of poor women from the political space further widens the already male dominant structure of Nigerian politics. Statistics show that women's participation in Nigerian politics remains at a dismal 8 per cent (British Council Report, 2012), supporting the findings of this study. More importantly, the non-participation of women in political activities undermines their legal rights to express their political opinions and to elect representatives to further their interests. Clearly, since active and equal political participation is an indicator of women's empowerment (Kabeer, 2005), the findings of this study do not support women's empowerment regarding active engagement in political activities.

Figure 5. 9 Summary of findings on women's social capital development



Source: Author, (2018)

In summary, the results from both the quantitative and qualitative data are parallel with the findings of the literature (Sanyal, 2009; Feigenberg, et al., 2014) that microfinance promotes women's social capital development. Some salient conclusions can be drawn from the above analysis of the effects of microfinance on women's empowerment. There was a positive impact of microfinance on women's social capital development evidenced through deepened social ties and networks between group members. Female microfinance recipients draw on these social networks in times of need and to promote their businesses and entrepreneurial projects. Microfinance healthcare awareness programmes increase women's awareness of prevention and the treatment of tropical diseases and by cascading their knowledge to household and community members, they experienced a boost in the legitimacy and reputation of their businesses and abilities. Notwithstanding, low levels of education and lack of awareness of programmes aimed at sensitising the women on political issues contributed to their low-level engagement in political activities and events. Therefore, the results of the in-depth interviews confirm the findings of the quantitative analysis (Section 5.9.2) of an increase in women's social capital development due to participation in microfinance. Based on the aforementioned, the H4 is upheld.

5.16 Microfinance Ecosystem in Nigeria

The analysis of the quantitative (questionnaires) and qualitative (interviews) data from both women borrowers and the staff of microfinance provided indicators which help to link the different players and factors that promote women's entrepreneurship and empowerment through microfinance. The conceptual framework 5.10 shows a complex, multi-level relationship between the Nigerian microfinance NGO and women service users and demonstrates how these semi-structured interactions influence the women's outcomes.

Poor women first become aware of microfinance presence through social networks such as friends, family member or business neighbours, as word of mouth constituted the most common form through which the women learnt about microfinance. By accessing microcredit, the women could simultaneously access enhanced social networks (non-family association) through the mandatory group lending system employed by the microfinance NGO. As reported in the qualitative interviews (see Section 5.15.1), the interactions within group members encouraged group solidarity, mutual trust, business support and mentoring as well as assisting the women in exploring cost-saving options for their business operations. This interactions between group members also functioned to provide vital information about existing and prospective members to the microfinance providers which helps to mitigate the problem of information asymmetry. Therefore, the social networks being a product of the group lending methodology supports the mutual relationship between microfinance and women service users.

There are two broad categories of actors within the microfinance sector: external actors and internal actor. The external actors are considered as the major actors which include the microfinance institutions, donors, governments and regulatory authorities (Mersland et al., 2013; Lebovics et al., 2016; Afonso et al., 2017). Internal actors are key players involved in the implementation of microfinance interventions. Internal actors comprise of moderate and minor actors. The moderate actors are loan officers and branch managers responsible for credit approvals, delivery of technical support services and loan drives, whilst the minor actors are group leaders who as evidenced in the analysed interviews plays an important role of ensuring group cohesion as well as other administrative responsibilities on behalf of the lender. As shown in Figure

5.10, the different actors interact to ensure that microfinance interventions are mutually beneficial to both the lending institutions and participants.

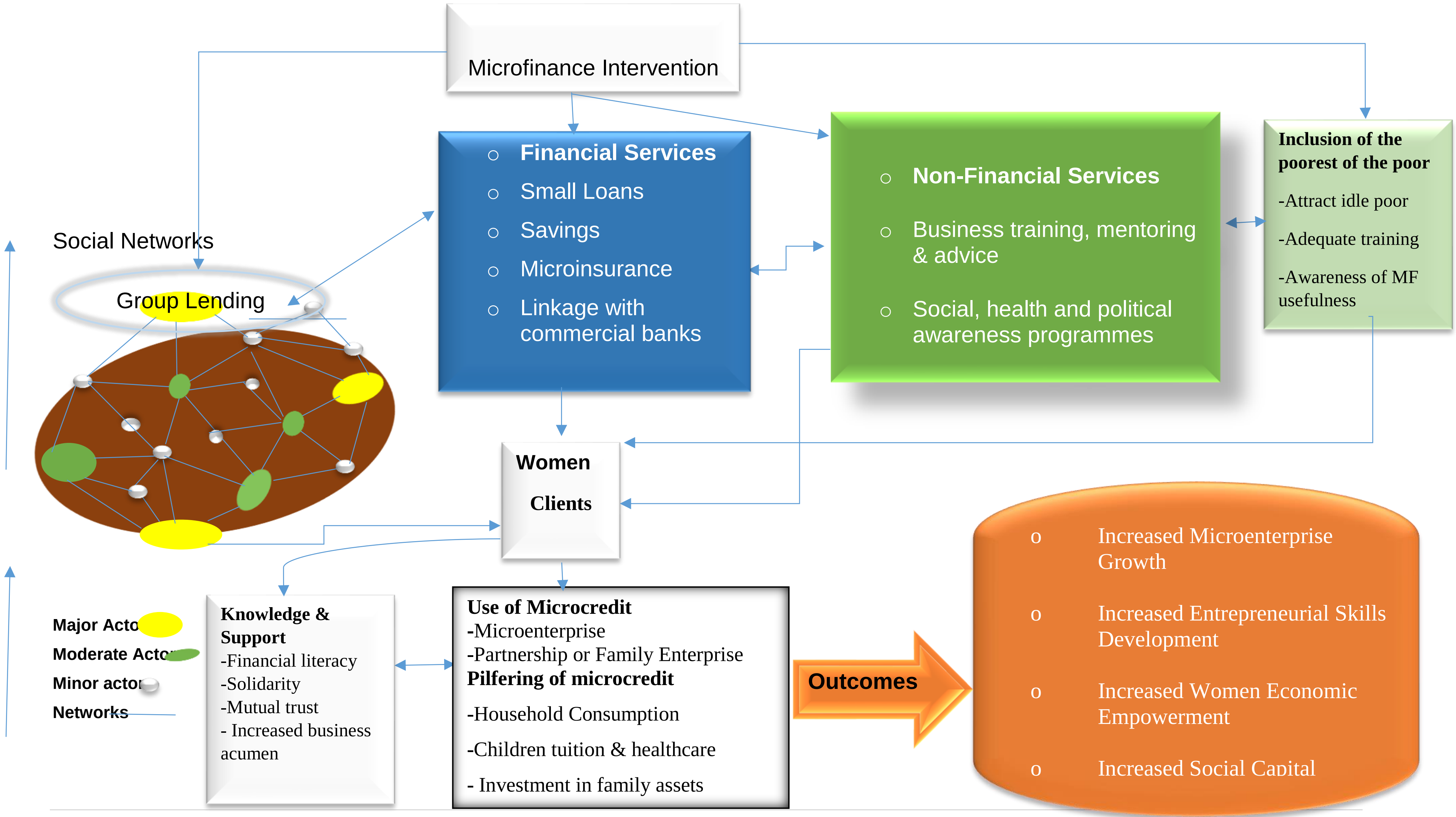
The interaction between the supply side (microfinance) and the demand side (women) of microfinance is further illustrated in Figure 5.10 through the provision of microfinance services and the outcomes of such exposure on participants. In this regard, the microfinance loans were used by women borrowers for two main purposes: investment in microenterprise and consumption (see Figure 5.10). The pilfering of microfinance loans was channelled to cater for family and household related costs such as food, clothing, healthcare, savings and the education of their children. However, the greater the portion of the loan diverted to consumption use, the higher the risk such a client poses, hence, clients who engage in pilfering were considered riskier. Women who invest all or a larger portion of their loans in business are more likely to meet the regular weekly repayment schedule with less difficulty. Although the regular instalment payments were found to be prohibitive, especially for start-ups to meet, economically active women adapted easily with the repayment schedule. More importantly, the fear of losing future loans encouraged frequent repayments.

Remarkably, whether microfinance is used for business purposes or consumption, the impact of microfinance is positive on household welfare and women’s empowerment. Reported evidence of women’s enterprise growth further buttresses the importance and impact of microfinance. Even though loan pilfering is an unexpected outcome from the supply standpoint, it contributes to children’s education, healthcare and family upkeep. Notwithstanding, a combination of microcredit and training delivered to poor women within a group setting was found critical to producing the outcomes of increased microenterprise growth, increased entrepreneurial skills development, increased women economic empowerment and increased social capital (see Figure 5.10).

Lastly, by targeting women clients, microfinance in Nigeria is fulfilling its moral objective of tackling the economic, financial and power imbalance that exit s between males and females within the Nigerian traditional structure. This microfinance ecosystem shares certain similarities with Babson’s Entrepreneurship Ecosystem in that it acknowledges that business start-up and growth is a function of multiple layers of interdependent actors, factors, and networks (Vogel, 2013; Isenberg, 2011).

Although, Isenberg (2011) argues that for there to be self-sustaining entrepreneurship, you need conducive policy, markets, capital, human skills, culture, and supports. The current study found that whilst most of the above-mentioned elements where presents although in varying modest levels, conducive policies from government and the cultural support for women entrepreneurs were inadequate, which suggest an area for further improvement. Nonetheless, every ecosystem is different and as argued by Mason and Brown (2014), efforts to create or, more realistically, cultivate entrepreneurial ecosystems need to develop an individualised approach that works sympathetically with a region's existing entrepreneurial assets. The results from the analysis of the study data suggest that microfinance ecosystems in Nigeran can be improved by introducing the much-needed risk hedging facilities such as microinsurance alongside creating a robust linkage model that extends women's access to finance from commercial banks and other conventional financial institutions especially as demand for a higher loan size is on the rise with growing microenterprises as illustrated in Figure 5.10. In addition, there need to be more targeted government policies, cultural change in terms of male support for women entrepreneurs (for details see Section 5.13.1 and Jenkins & Batinge, 2018) and more innovative response to clients' needs by microfinance providers. The author hopes to further improve this microfinance ecosystem model to capture other vital components which may not have been sufficiently understood due to the limitations of the scope of this study.

Figure 5. 10 Creating a Microfinance ecosystem for women's entrepreneurial development and empowerment



Source: Author, 2018

5.17 Conclusion

Analysis and results of the survey and in-depth interviews show that microfinance has a positive impact on women's entrepreneurship and empowerment. Microcredit and training improved the business assets, sales revenue and entrepreneurial skills of women participants. The group lending strategy was predominantly responsible for group solidarity, mutual trust and social and entrepreneurial networking which the women benefited from. Although there was a strong impact of microfinance on women's enterprise growth, direct labour employability did not receive any boost. Business training and advice from microfinance helped women to employ diversification as a livelihood strategy. These outcomes promoted business growth and created alternative income streams for a few of the women borrowers. The study found that gender, level of education, age and length of time in the intervention were key factors that affected women's access and utilisation of microfinance. Group lending methodology was the preferred method for accessing microfinance given that it's assisted the intervention to galvanise cooperation, consistent interactions and support networks for women. However, the political awareness and engagement level of women remained as low as pre-intervention times. Notwithstanding, the study finds that despite the positive outcomes of microfinance on women empowerment, the male dominance culture remains a significant barrier (Jenkins & Batinge, 2018). Finally, the quantitative and qualitative analysis helped to develop an ecosystem lending model that will facilitate the growth of women's micro enterprises which are often underserved by traditional banks.

CHAPTER SIX

CONCLUSION: SUMMARY, FINDINGS, IMPLICATIONS, CONTRIBUTIONS AND LIMITATIONS

6.0 Introduction

Women's empowerment and entrepreneurship are important areas of current research in microfinance. This study has examined a recurring yet largely unanswered tripod question of whether access to microfinance services can increase women's entrepreneurial development and thus, contribute to their economic empowerment and social capital development. Although the findings of this research do not suggest that microfinance has drastically improved the lives of Nigerian female recipients, some conclusions are drawn, and recommendations made from this study can provide useful insights and direction for regulators and practitioners in Nigeria's financial sector. This chapter provides a summary of the findings, policy implications and the recommendations reached in this research study. The rest of the chapter is organised as follows; (1) Summary; (2) Findings; (3) Contribution to knowledge; (4) Recommendations; (5) Implications for further Research and (6) Limitations of Study.

6.1 Summary of the research context

To examine the core research questions proposed after having conducted the literature review, quantitative data from 350 women clients of microfinance and qualitative data which consist of 11 focus group interviews with beneficiaries and 18 face to face interviews with employees (loan officers and the management) of micro finance intuitions. The qualitative data was used to corroborate, as well as provide insight into the relationship outcomes found to exit between microfinance and women entrepreneurial development and empowerment, evidenced by the quantitative analysis results. The main outcomes of the research findings suggest that there is a positive impact of MFI intervention on women microenterprise operators in Nigeria. Due to the consistency of this study's results to other results in the microfinance literature which suggest that microfinance supports the entrepreneurial development and empowerment of poor women, (Chowdhury & Chowdhury, 2011; Basu, 2013; Mahmood, 2011), the study concludes that loans pilfering and earnings realised from women's microenterprise are used for children's tuition, healthcare and household well-being. Furthermore, the study argues that as women's income increases, their contribution to family upkeep rises to levels that result in an enhanced status and respect from their male household heads. However, there are still prevailing cultural norms that constitute obstacles to women's access to assets such as land and household durables. Furthermore, the weekly repayment system employed by microfinance was found to pose barriers to new start-ups which normally require a longer time to grow and make profits in order to keep up with the regular repayments. The fact that loan repayments are expected to commence in the second week of accessing the loans doesn't allow for the incubating time required by start-ups, hence, it excludes them from participating in microfinance.

6.2 Findings

Based on the research questions, the study gathered and analysed relevant data to help achieve the research aim and objectives. The analysis of the quantitative and qualitative data from microfinance NGO and women clients is summarised below:

6.2.1 Analysis of Microfinance impact on Women's enterprise growth

In a broader sense, this research seeks to empirically investigate the impact of microfinance on women's entrepreneurship and empowerment. Female entrepreneurship is analysed through women's enterprise growth and women's entrepreneurial skills development, resulting in the development of two hypotheses. The first hypothesis is related to the growth of female enterprise and the second hypothesis is concerned with women's entrepreneurial skills development (see details in Section 5.4.1). The impact of microfinance on women's enterprise growth is analysed in the first hypothesis (see Section and 5.6.1) and the findings are summarised here. Results from the Chi-square and the ANOVA test suggest a positive relationship between microfinance and women's enterprise growth. Specifically, both test results indicate statistically significant *p* values of less than 0.5 and thus suggest that women participants who receive loans and microfinance training are likely to experience enterprise growth compared to participants without access to both resources. The ordinal logistic regression also finds a positive relationship between microfinance and women's enterprise growth and further suggests that women with a higher loan size (above N90,001) are more likely to experienced microenterprise growth than those with smaller loan size. Most importantly, the ordinal regression result indicates that a combination of access to microcredit and training was a major contributor to the growth of women microenterprises, implying that by having access to fairly concurrent loans contracts and entrepreneurial training from microfinance enabled the women to effectively exploit the opportunities in the market for the growth of their enterprises.

The qualitative interviews provided insight into the details of the positive relationship highlighted by the quantitative findings (see Section 5.6.4 for details). For instance, most of the sampled women reported an increase in enterprise growth due to an increase in business assets and profits, a few also reported the diversification of their business. The survey and interviews not only complement each other but also confirm the findings of previous studies (Morris & Barnes, 2005; Salia, 2017). Analysis of the qualitative data indicated that the experiences of women regarding enterprise growth differed to the extent to which the loans were used in the enterprise: some used the loans to purchase raw materials, and a few others used it to complete the production process, whilst a few women expended their loans on business assets. It is worth noting that microcredit allowed most of the women to purchase raw materials in bulk and this was the main driver of profits as also indicated in (Tengeh, 2013). A bulk-buying strategy was employed to enable the women to reduce input costs and consequently to increase profit marginally, as it was difficult to raise prices due to low demand (Khandker, 2005). Women also used their loans to acquire useful business assets that allowed them to stock more goods and increase business operations. However, fewer women employed a diversification strategy in the business and this was largely due to the smallness of the loan size, less opportunity for diversification and most commonly, the avoidance of taking extra risk. Concerning risk-taking, the demographic analysis (see Section 5.2.3) shows that very few women engaged in higher risk businesses such as manufacturing because the weekly repayment system supports less risky businesses that could garner quick daily or weekly returns to enable the women to keep up with their loan repayments. Therefore, more women are involved in petty trading of food and non-food items to avoid being considered as a risky member of the group, which could impact the group's future access to finance. Almost all the interviewed women (9.1%. see Section 5.22) are sole proprietors, thus are fully involved in all aspect of the business operations, however, they occasionally rely on support from family members in the selling and marketing or in the procuring of raw material. Therefore, the qualitative analysis deepens our understanding of the practicalities of the microfinance and poor women relationship.

Many studies (Blattman, et al., 2012; Hossain, 2012) which were focused on microfinance and employment generation, agree that a positive relationship exit s especially with respect to self-employment. The empirical analysis of this study presents a similar result that microfinance sustains the self-employment of women entrepreneurs. However, the analysis did not find any evidence suggesting that microfinance supported an increase in the direct employment of non-family members of the women. The results from the quantitative data indicate that the majority (70.3% or 246) did not or were unlikely to hire workers into their business. The qualitative analysis suggests that low demand coupled with the widespread use of loans for non-business related activities (consumption) limited business expansion that could have created employment opportunities. The very few (29.7%) women enterprises which engaged non-family labour were primarily for additional businesses that the women could not run themselves. For instance, having purchased a tricycle for a transportation business which was not her primary business, a woman client employed a driver to run the business and remit earnings to her. In most cases, women rely on family members such as husband, children and relatives for support when they are unable to attend to their shops. Microfinance's inability to support the direct employment of non-family members of microentrepreneurs was also reported by Yeboah (2010).

6.2.2 Analysis of Microfinance impact on Women Entrepreneurial Skills Development

The second hypothesis attempted to investigate the impact of microfinance (credit and training) on female entrepreneurial skills development. The ordinal regression analysis (see Section 5.7) shows that the relationship between microfinance training and women's entrepreneurial skills development is positive as it indicated a statistically significant *p*-value. Results from the cross tabulation (Table 2F in Appendix A) result agree with the findings of the ordinal regression and further suggest that the majority of the women agree to microfinance having a positive impact on women entrepreneurial skills development.

The qualitative analysis confirms the result of the quantitative analysis that microfinance improves women's communication skills and self-confidence, financial planning and record keeping skills. Specifically, the group meetings provided a democratic environment that allows women to effortlessly express themselves without any fear of abuse or intimidation. It offers opportunities for women to take up the leadership responsibilities of the group and that improves their leadership skills. As a result, the majority of the interviewed women were observed to have improved communication skills and self-confidence evidenced through their high expressive abilities when interviewed. A notable impact of the weekly repayments system was that it instilled financial discipline on the women. Having to routinely repay loans enabled the women to improve their financial planning and discipline regarding how business income is expended. Many women claimed that repayment exercise has helped in improving their saving habits.

The study by Danford et al., (2014) found that most microenterprises were unable to keep adequate sales records due to inadequate education and training. This empirical study found that noticeable progress was attained by the women in this respect largely due to training from microfinance. Although none of the women had used computer systems or the service of professional accountants, the training offered by MFI helped the women to appreciate the importance of record keeping. This resulted in the majority of the women adopting different ways to document inventory, sales and cost records. Another finding of this research is that by participating in microfinance, women have gained a greater awareness and use of financial services, which has positive implications on women's financial literacy and confidence. The results of the study are supported by previous studies (Gobbi, et al., 2005; Drexler, et al., 2014; Karlan & Valdivia, 2011) which found that microfinance improves women's entrepreneurial skills development. On the other hand, the findings of this study are contrary to Mahmood (2013) which found no evidence that microfinance improves female entrepreneurial skills.

6.2.3 Analysis of Microfinance impact on Women's Economic Empowerment

Microfinance impact on women's empowerment is the main theme of the second question investigated in this study. Female empowerment is investigated through women's economic empowerment in the household and social capital development, resulting in the development of the two hypotheses. The third hypothesis is related to women's economic empowerment and the fourth hypothesis is concerned with women's social capital development (see Section 5.8). The impact of microfinance on women's economic empowerment is analysed in the third hypothesis (see Section and 5.6.1) and the findings are summarised here. Although the Chi-square results indicate that both microcredit and the number of years spent in microfinance have a positive relationship with women's economic empowerment in the household, the ANOVA results provided a mixed result that supports a positive relationship with the number of years in microfinance but not with microcredit. These conflicting results were further investigated with the ordinal regression analysis which confirmed the Chi-square results that microfinance has a positive relationship with both variables of loan size and number of years spent in microfinance. Both the Chi-square and the regression analysis results agree that evidence of women's empowerment in the household is greater with women who had spent up to 3 years in the microfinance intervention. A cross-tabulation of women's empowerment and years of membership shows that of the 63.4% of women who agree to microfinance having an impact on women empowerment, women with up to 3 years spent in microfinance accounted for 60%.

The qualitative analysis indicates that 75% of the women respondents were economically empowered, especially with regards to women having a greater role in household decision making and autonomy over spending from savings and income. As women expend more of their income on the household, their ability to exact their choices or decide on where and how the income is spent on the household is bolstered. Furthermore, male members of the household tend to appreciate women's financial contribution and that is often accompanied by greater inclusiveness in the decision making of the household. However, similar to the findings of Moyle et. al, (2007), the current study found that microfinance participation did not lead to a higher level of economic empowerment such as women ownership and control of the household assets. The control of spending on family assets such as land and buildings remained under the firm control of the male family head largely due to prevailing cultural norms. This implies that even when women contribute financially to the acquisition of such assets, culturally they still lacked the authority to divert income from such sources for loan repayments or to purchase personal effects, as confirmed by Dahal, (2014) and Swain & Wallentin, (2014). Therefore, the findings of this study support the often-made suggestion that female empowerment may increase when credit is offered within a larger framework that includes the cultural acceptance of women ownership and control of family assets (Kumar, 2013; Dalal, 2011). Based on the aforementioned, it is clear that training to educate male household members is as important as training women in order to change cultural perspectives about women's access and utilization of assets.

The empirical evidence from this study confirms the result of previous studies (Bhuiyan, et al., 2013; Hiatt & Woodworth, 2006; Khandker, et al. 2008) that microfinance helps improve the well-being of women and their families. The results of the study indicate that women who have spent up to three years with microfinance enjoy the benefits of increased welfare for their family. The qualitative analysis reveals that most of the women reported increased expenditure on food, healthcare of their family and education of their children after participating in microfinance initiatives (see Section 5.8.4). It is noteworthy that women prioritise their family upkeep and thus, a large portion of their business proceeds is spent on their household. The education of their children was of high importance to the women and this was another major area where loans and business income were diverted. These results are also in line with the findings of earlier and current literature (Montgomery (2006); Swain & Wallentin, 2014; Kato & Kratzer, 2013).

Another important finding of the study is that microfinance helped to reduced family disputes often related to lack of money. Some of the interviewed women reported that as their income increased since joining microfinance, they are enabled to share the household financial burden with their husbands. This has resulted in lower friction and conflicts which was a common occurrence each time the household is unable to meet vital needs. The findings of this study are similar to that of Kim et al., (2007) who found that reductions in intimate partner violence were attributed to women's participation in microfinance and their contribution to family upkeep.

6.2.4 Analysis of Microfinance impact on Women's Social Capital Development

The fourth hypothesis investigating microfinance impact on women's social capital development is analysed in Section 5.9 and the findings are summarised here. Results from the Chi-square and ANOVA test indicate that there is a positive relationship between participation in microfinance and women's social capital development with the results from the former indicating an associated significance level of $p= .045$, and the latter showing a statistically significant value ($F=5.536$, $p=.019$). Both tests suggest that women who have spent about 3 years in microfinance have a greater probability of improving their social capital. Although the findings from the regression analysis also suggested a positive relationship between microfinance and women's social capital development, the result emphasised that women accumulate and benefit from social capital when they spend above 6 years in the microfinance project. The disagreement in the results of the regression analysis and the Chi-square regarding what duration of time women need to spend in microfinance before developing social capital is largely unexplained, however, the qualitative data suggest that mutual trust amongst members of the group is built over a fair amount of time spent together.

The qualitative analysis (see Section 5.9.3) indicates that women benefit from social solidarity from the group and also harness social networking with group members for their business improvements. Similar to the findings of previous studies (Mozumdar, et al., 2017; Amir, 2017; Wah, et al., 2017), this research found that the group lending methodology employed by microfinance played a critical role in promoting the interaction between women, social solidarity and the mutual trust amongst them. By belonging to a group, women could draw on the support of fellow members at times of crisis such as the loss of a loved one. It was common for members to contribute financially to the funeral costs of a bereaved member as well as providing emotional support by visiting the member, empathising with her. On the actual day of the funeral, group members attend in mass to lend their support to their fellow mate in a comradery style. Therefore, the group lending system provides both financial aid and emotional/psychological support to women during crisis times.

Another important finding from the study is that group-based lending strategies regularly bring women into contact with each other, expanding their social networks and making them part of a business association. The consistent interaction and networking between members of the group promote cooperative behaviour which encourages learning, sharing information and even credit trades amongst members. These resources are exploited by the women to improve their business operations, to seek growth opportunities, reduce costs and increase profits. The findings of this study are in line with Afridi (2011) who found that social networks enable the sharing of resources (time, expertise, support) and information (business opportunities, influence) that empowers the poor and helps them to exit poverty. However, concerning social awareness and political participation, it was found from the qualitative results that microfinance awareness campaigns were only limited to healthcare but not to support the women to engage in political activities. The results suggest that women are disempowered when they are excluded from political activities as it widens the already male dominant structure of Nigerian politics. Therefore, since active and equal political participation is an indicator of women’s empowerment (Kabeer, 2005), the findings of this study do not support women’s empowerment regarding active engagement in political activities.

6.3 Contribution to Knowledge

Firstly, this research has made a significant theoretical contribution to the existing literature and knowledge through the development of a conceptual framework (Figure 5.8) that identifies key actors and players that affect access to and utilization of microfinance by poor women entrepreneurs. It is an important contribution to the body of literature in that it could assist women entrepreneurs use social networks to unlock business opportunities for the growth of their business. Also, the framework highlights additional microfinance services that are suitable for the development of women's enterprise in Nigeria.

Secondly, this research has made a contribution to empirical findings regarding microfinance impact on women's entrepreneurship and empowerment in Nigeria which are limited to South Asia or have produced mixed results in the study of microfinance. This study's results demonstrate a significant positive association between microcredit and entrepreneurial training with women's enterprise growth. The research focus on microfinance and women's entrepreneurship and empowerment is a good addition to gender studies given that it narrows the purview to isolate microfinance impact on women's contributions to their households and enterprise growth.

Thirdly, the overall result of the study indicates that there is a strong positive impact of microfinance on women's entrepreneurship and empowerment. This provides empirical evidence to substantiate the usefulness of microfinance for promoting women's economic independence and supporting their financial inclusion, as suggested by other earlier microfinance studies that were conducted in a similar context.

Fourthly, often researchers have focused on lack of access to resources as a contributor to women disempowerment. However, the current study in Nigeria has identified that the lack of education and training for male household members to understand and appreciate the resourcefulness of women, to promote inclusiveness and support them where required is also a factor that perpetuates women's disempowerment. Perhaps, the suggestion of this study to educate male household members as much as women is a very important addition to the existing body of literature on factors impeding women empowerment.

Fifthly, the current study has made a significant methodological contribution by employing a pragmatic approach using mixed methods in conducting this microfinance impact study. This approach provided greater insights and enhanced our understanding of microfinance projects using both quantitative and qualitative tools in the collection of data. The triangulation of both methods provided the opportunity to use quantitative analysis in determining the relationship between the dependent and independent variables, and qualitative analysis to explain the nature of the identified relationships. This approach is rare with most studies that have investigated the impact of microfinance in Nigeria, often they employ a single method approach (a quantitative or qualitative method).

Finally, as observed from the literature review, most of the previous research on microfinance is conducted in Asia and Latin America due to data availability and the popularity of microfinance practice in these regions. However, microfinance has also been introduced in other emerging markets such as Nigeria, and their impact, as well as contextual dynamics, should be analysed to widen our knowledge of microfinance interventions. Therefore, this study has made a significant contribution to microfinance knowledge by assessing how microfinance is implemented to tackle gender imbalance in another developing country with its unique context.

6.4 Recommendations

The following recommendations are derived from this research for microfinance

Institutions, donors in the microfinance sector and government.

The research findings have shown that a combination of microcredit and training was vital in improving women's entrepreneurial development and empowerment, and this has policy implications for MFIs, donor agencies and governments whose strategy for economic growth is hinged on microenterprise development and financial inclusion of the unbanked members of society. It is vital for these bodies/institutions to appreciate the importance of entrepreneurial training in nurturing and building women's capacity for enterprise growth. The findings of this study have demonstrated that it is viable for MFI's in Nigeria to provide entrepreneurial training to their women clients. In addition, the group lending approach ensures that such training is easily organised with a higher probability of women collective attendance.

The study's results recommend that alongside training for women, male household heads or the male spouses of women clients could benefit from training and awareness programmes that would educate them about the operations of microfinance, and enlighten them of women's role, participation and rights in the household and society. This is important because women's performance in business and increased income alone may not fully empower them in their household, thus there is a need to empower men, who must be encouraged to break free from the male dominance culture common in Nigeria. Training programmes for men may not directly empower women in the current moment, but it can usher in a new perception of women that could gradually change society's understanding and appreciation of women's resourcefulness. Chowdhury and Patnaik (2010) have also called for the empowerment of boys and men as a gateway to achieving women's empowerment in India.

The result of the study also recommends that there is a need for awareness campaigns on women rights and political participation if women's empowerment in Nigeria is to be holistically tackled. This study indicates that the exclusion of women in political activities will not only limit their rights to elect their leaders but also to lend their views concerning government policies (see Section 1.6 for more details) that affect women and their children. In this context, the study suggests that where MFIs consider this training expensive or outside their mission purview, they could liaise with other charities that offer such services or provide information to women clients on how to access such training.

Finally, there is a need for a clear linkage model or microfinance exit strategy for growing women's enterprise where financial requirement exceeds that offered by microfinance. The current practice which isolates women by providing larger individual loans may be useful in the short term, but in the long term there is a need for a link between microfinance and conventional financial institutions that provide larger loan sizes as well as a variety of other useful financial products that women entrepreneurs could benefit from. The government of Nigeria has created a few initiatives and programmes to promote the activities of small enterprises and to help them grow. The Development Bank of Nigeria is one of such initiative that funds micro, small and medium scale enterprise through partnering with microfinance institutions. Therefore, the Development Bank of Nigeria can help bridge the gap between the microfinance sector and financial institutions by providing a platform that facilitates the smooth transfer of women clients of microfinance to the conventional financial sector. (Mahmood, 2013).

6.5 Implications for Future Research

a) This research focused on one microfinance NGO in Nigeria and some of its branches in 10 communities. The research can be extended to other microfinance institutions such as commercial private sector microfinance banks in Nigeria. Also, research on other states, communities and geopolitical zones in Nigeria will provide more insights about microfinance practices.

b) The microfinance NGO under study offered service to women clients only with the purpose of empowering them. However, the results of the study indicate that the support and understanding of male household heads are also vital in empowering women, thus there is a need to examine the empowerment outcomes of women and family cohesion when microfinance is offered to both men and women. This is because a recent study (Salia, 2018) carried out in a similar context in Ghana found that as the income of women clients of microfinance rises above their non-working male spouses, it resulted in unintended outcomes of increased family conflict that threatened family cohesion.

c) The results of the study found that a majority of the women avoided risky ventures that could possibly yield higher returns such as manufacturing, thus future research could explore how microfinance could encourage women to invest in risky businesses with high growth and profit potentials. This may promote the growth from a microenterprise to small and then, medium enterprise.

d) Also, the results from the current study indicate that microfinance is experiencing a high repayment trend in Nigeria. However, it is possible that these women clients borrow from multiple sources to repay their loans when they are due, and if so this is likely to deepen their indebtedness. Therefore, this research could be extended to examine microfinance repayments in Nigeria.

e) Lastly, a significant contribution to the microfinance knowledge is possible, if a similar study is conducted in other developing countries and regions that are under-researched in this area.

6.6 Limitations of the Study

The generalization of the results of this study should be made in appreciation of the following limitations discussed in this Section. Firstly, the quantitative and qualitative data was gathered concurrently across the 10 communities visited due to budget, time and data constraints. For instance, the cost of returning to 10 communities with distances far apart from each other to conduct a second data collection exercise, would have been too costly for the researcher's budget. In addition, data could be lost as having the same participants to participate in the second phase may not be possible as clients of microfinance are dispersed around rural and urban centres of each of the communities visited. This prevented the researcher from employing the sequential approached of data collection.

Secondly, the results of the research could have been strengthened if there had been a comparison of outcomes from different groups as with other previous studies (Augsburg et al., 2012; Xia Li et al., 2011). However, this was not possible due to the budget constraints that affected the ability of the researcher to collect information from suiTable groups for outcome comparison.

Thirdly, the data collected using interviews and surveys from the 10 communities in Nigeria is unequal. This is due to a number of factors such as the level of cooperation from women clients, the time availability of the researcher and the accessibility of the area.

Lastly, the concurrent approach employed in this study ensures that the results provide a static characteristic of the phenomenon under study. However, this could undermine the research findings if the respondents had not provided true opinions or had either over or understated their perspectives due to either issue of trust or reluctance to share information considered to be private.

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LIST OF APPENDICES

Appendix A: Output of SPSS Analysis

Demographic Profile

Table 1 A Profile of Women Entrepreneurs

Variables	Items	Count	Per centage
Age of respondents	18-29	47	13.4%
	30-39	90	25.7%
	40-49	131	37.4%
	50-59	72	20.6%
	60+	10	2.9%
	Row Total		100.0%
Marital status	**Married**	259	74.0%
	Single	18	5.1%
	Divorced/Separated	21	6.0%
	Widowed	52	14.9%
	Row Total		100.0%
Number of children	No Children	14	4.0%
	1-2	97	27.7%
	3-4	118	33.7%
	5-6	67	19.1%
	More than 6	54	15.4%
	Not Applicable	0	0.0%
	Row Total		100.0%
Family system	**Nuclear Family**	288	82.3%
	Joint Family	62	17.7%
	Row Total		100.0%
Main decision maker in the family	Yourself	72	20.6%
	Husband	253	72.3%
	Father/Father in Law	15	4.3%
	Mother/ Mother in Law	10	2.9%
	Others (please specify)	0	0.0%
	Row Total		100.0%
Education level of women borrowers	**No qualifications**	156	44.6%
	Primary	124	35.4%
	Secondary	36	10.3%
	Professional Certificate	13	3.7%
	Business Certificate/Diploma	3	0.9%

	Bachelor's Degree	3	0.9%
	Master's Degree	0	0.0%
	Vocational qualifications	15	4.3%
	Not applicable	0	0.0%
	Row Total		100.0%
Education level of Husband/Family Head	**No qualifications**	101	28.9%
	Primary	84	24.0%
	Secondary	47	13.4%
	Professional Certificate	0	0.0%
	Business Certificate/Diploma	6	1.7%
	Bachelor's Degree	35	10.0%
	Master's Degree	2	0.6%
	Vocational qualifications	3	0.9%
	Not Applicable	72	20.6%
	Row Total		100.0%

Table 1B Descriptive statistics of the profile of Women enterprise

Variable	**Item**	**Count**	**Per centage**
What is the ownership structure of your business?	Not applicable	0	0.0%
	Sole Trader	320	91.4%
	Partnership	30	8.6%
How long have you spent in your business?	Not applicable	0	0.0%
	Less than 1 year	0	0.0%
	1-2 years	0	0.0%
	3-5 years	177	50.6%
	6-10 years	153	43.7%
	More than 10 years	20	5.7%
What is your per centage of ownership in the business?	Not applicable	0	0.0%
	1-25%	0	0.0%
	26-50%	23	6.6%
	51-75%	6	1.7%
	76- 100%	321	91.7%
What form of business do you do?	Not applicable	0	0.0%
	Manufacturing	17	4.9%
	Services	65	18.6%
	Trading	268	76.6%
	Other	0	0.0%
	Only myself	246	70.3%

How many people do you employ?	One	104	29.7%
	2-3	0	0.0%
	4-5	0	0.0%
	6-10	0	0.0%
	More than 10	0	0.0%
Do you employ women?	No	39	11.1%
	Yes	95	27.1%
	Not applicable	216	61.7%
Do you use unpaid fam/relative service?	No	164	46.9%
	Yes	186	53.1%
	Not applicable	0	0.0%
What was your start-up capital source?	Not applicable	0	0.0%
	Self-funded	192	54.9%
	Loans from friends, family or neighbours	106	30.3%
	Loans from landlord or moneylenders	0	0.0%
	Loans from Commercial Banks or Financial Institutions	0	0.0%
	Loans from microfinance providers--- e.g. Better Livelihood	52	14.9%
What areas do you spend the MF loan?	Not applicable	0	0.0%
	Purchase of equipment or assets for business	135	38.6%
	Purchase of raw material	166	47.4%
	Initial operating cost cash flows	41	11.7%
	Hiring of labour	0	0.0%
	To clear business debts	8	2.3%
	Others	0	0.0%

Women Entrepreneurship

Table 2A Cross tabulation: Enterprise Growth and Current loan size Cross tabulation

Enterprise Growth * Current loan size Cross tabulation					
			Current loan size		Total
			less than 90,000	90,000 +	
Enterprise Growth	Disagree	Count	1	10	11
		% of Total	0.3%	2.9%	3.1%
	Neutral	Count	23	23	46

		% of Total	6.6%	6.6%	13.1%
	Agree	Count	141	152	293
		% of Total	40.3%	43.4%	83.7%
Total		Count	165	185	350
		% of Total	47.1%	52.9%	100.0%

Table 2B Cross tabulation: Enterprise Growth and do you receive MF training (business/health)

Enterprise Growth * do you receive MF training (business/health) Cross tabulation

			do you receive MF training (business/health)		Total
			No	yes	
Enterprise Growth	Disagree	Count	8	3	11
		% of Total	2.3%	0.9%	3.1%
	Neutral	Count	13	33	46
		% of Total	3.7%	9.4%	13.1%
	Agree	Count	93	200	293
		% of Total	26.6%	57.1%	83.7%
Total		Count	114	236	350
		% of Total	32.6%	67.4%	100.0%

Table 2c Cross tabulation: Business training and current loan size

do you receive MF training (business/health) * Current loan size Cross tabulation

			Current loan size		Total
			less than 90,000	90,000 +	
do you receive MF training (business/health)	No	Count	47	67	114
		% of Total	13.4%	19.1%	32.6%
	yes	Count	118	118	236
		% of Total	33.7%	33.7%	67.4%
Total		Count	165	185	350
		% of Total	47.1%	52.9%	100.0%

Table 2D Cross tabulation: Enterprise Growth and Loan size with Training

Enterprise Growth * Loan size X Training Cross tabulation					
			Loan size X Training		Total
			less than 90,000	90,000 +	
Enterprise Growth	Disagree	Count	8	3	11
		% of Total	2.3%	0.9%	3.1%
	Neutral	Count	30	16	46
		% of Total	8.6%	4.6%	13.1%
	Agree	Count	194	99	293
		% of Total	55.4%	28.3%	83.7%
Total		Count	232	118	350
		% of Total	66.3%	33.7%	100.0%

Table 2E Cross tabulation: Enterprise Growth and business training

Enterprise Growth * do you receive MF training (business/health) Cross tabulation					
			do you receive MF training (business/health)		Total
			No	yes	
Enterprise Growth	Disagree	Count	8	3	11
		% of Total	2.3%	0.9%	3.1%
	Neutral	Count	13	33	46
		% of Total	3.7%	9.4%	13.1%
	Agree	Count	93	200	293
		% of Total	26.6%	57.1%	83.7%
Total		Count	114	236	350
		% of Total	32.6%	67.4%	100.0%

Table 2F Cross tabulation: Entrepreneurial Skill Development and Business training

Entrepreneurial Skill Development * do you receive MF training (business/health) Cross tabulation					
			do you receive MF training (business/health)		Total
			No	yes	
		Count	1	12	13

Entrepreneurial Skill Development	Disagree	% of Total	0.3%	3.4%	3.7%
	Neutral	Count	31	59	90
		% of Total	8.9%	16.9%	25.7%
	Agree	Count	82	165	247
		% of Total	23.4%	47.1%	70.6%
Total		Count	114	236	350
		% of Total	32.6%	67.4%	100.0%

Table 2G Cross tabulation: Increase in labour and Current loan size Cross tabulation

increase in labour * Current loan size Cross tabulation					
			Current loan size		Total
			less than 90,000	90,000 +	
increase in labour	Disagree or Strongly disagree	Count	134	100	234
		% of Total	38.3%	28.6%	66.9%
	Agree or Strongly Agree	Count	31	85	116
		% of Total	8.9%	24.3%	33.1%
Total		Count	165	185	350
		% of Total	47.1%	52.9%	100.0%

Table 2H: Women Entrepreneurial Outcomes of Microfinance Interventions

Variables	**Neutral (%)**	**Disagree or Strongly Disagree (%)**	**Agree or Strongly Agree (%)**
Increase in Profit	5.4%	21.1%	73.4%
Increase in Sales	10.3%	16.6%	73.1%
Increase in Business assets	8.0%	21.4%	70.6%
Increase in employment of Labour	66.0%	0.9%	33.1%
Increase in Future finance opportunity	35.4%	5.7%	58.9%
Increase Self confidence	11.7%	8.3%	80.0%
Increase Communication skills	17.4%	36.3%	46.3%

Increase in Financial Mgt and computer skill	34.0%	20.6%	45.4%
Increase in Foresight and planning	16.9%	21.4%	61.7%

All Tables sourced from: Fieldwork Data, 2016

Economic Empowerment in Household

Table 3A: Descriptive Statistics for women economic empowerment in Household

Variables	**Disagree/Strongly disagree (%)**	**Neutral (%)**	**Agree/Strongly agree (%)**
Spending on daily Household expenses	38.1%	3.2%	58.7%
Spending from my savings	13.4%	7.1%	79.4%
Where to use the amount of earning	16.0%	2.6%	81.4%
Sale/purchase of assets or livestock	9.4%	18.9%	71.7%
Spending money on my health	10.3%	10.9%	78.9%
Spending money on my children's /family health	40.9%	4.6%	54.6%
Spending money on my education	56.0%	5.7%	38.3%
Spending on my children's education	10.9%	0.9%	88.3%

Table 3 B Cross tabulation: Amount of loan and Autonomy to Spend on daily Household expenses

Spending on daily Household expenses * Current loan size Crosstabulation

			Current loan size		Total
			less than 90,000	90,000 +	
Spending on daily Household expenses	Disagree/Strongly disagree	Count	45	88	133
		% of Total	12.9%	25.2%	38.1%
	Neutral	Count	3	8	11
		% of Total	0.9%	2.3%	3.2%
	Agree/Strongly agree	Count	117	88	205
		% of Total	33.5%	25.2%	58.7%
Total		Count	165	184	349
		% of Total	47.3%	52.7%	100.0%

Table 3c: Cross tabulation: Amount of loan and Autonomy to Spend from my savings

Spending from my savings * Current loan size Crosstabulation					
			Current loan size		Total
			less than 90,000	90,000 +	
Spending from my savings	Disagree/Strongly disagree	Count	32	15	47
		% of Total	9.1%	4.3%	13.4%
	Neutral	Count	17	8	25
		% of Total	4.9%	2.3%	7.1%
	Agree/Strongly agree	Count	116	162	278
		% of Total	33.1%	46.3%	79.4%
Total		Count	165	185	350
		% of Total	47.1%	52.9%	100.0%

Table 3d: Cross tabulation: Amount of loan and Autonomy to choose where to use the amount of earning

Where to use the amount of earning * Current loan size Crosstabulation					
			Current loan size		Total
			less than 90,000	90,000 +	
Where to use the amount of earning	Disagree/Strongly disagree	Count	15	41	56
		% of Total	4.3%	11.7%	16.0%
	Neutral	Count	9	0	9
		% of Total	2.6%	0.0%	2.6%
	Agree/Strongly agree	Count	141	144	285
		% of Total	40.3%	41.1%	81.4%
Total		Count	165	185	350
		% of Total	47.1%	52.9%	100.0%

Table 3e: Cross tabulation: Amount of loan and Autonomy to Sale/purchase of assets or livestock

Sale/purchase of assets or livestock * Current loan size Crosstabulation					
			Current loan size		Total
			less than 90,000	90,000 +	
		Count	10	23	33

Sale/purchase of assets or livestock	Disagree/Strongly disagree	% of Total	2.9%	6.6%	9.4%
	Neutral	Count	36	30	66
		% of Total	10.3%	8.6%	18.9%
	Agree/Strongly agree	Count	119	132	251
		% of Total	34.0%	37.7%	71.7%
Total		Count	165	185	350
		% of Total	47.1%	52.9%	100.0%

Table 3f: Cross tabulation: Amount of loan and Autonomy to Spend money on my health

Spending money on my health * Current loan size Crosstabulation					
			Current loan size		Total
			less than 90,000	90,000 +	
Spending money on my health	Disagree/Strongly disagree	Count	12	24	36
		% of Total	3.4%	6.9%	10.3%
	Neutral	Count	2	36	38
		% of Total	0.6%	10.3%	10.9%
	Agree/Strongly agree	Count	151	125	276
		% of Total	43.1%	35.7%	78.9%
Total		Count	165	185	350
		% of Total	47.1%	52.9%	100.0%

Table 3g: Cross tabulation: Amount of loan and Autonomy to Spend money on my children's /family health

Spending money on my children's /family health * Current loan size Crosstabulation					
			Current loan size		Total
			less than 90,000	90,000 +	
Spending money on my children's /family health	Disagree/Strongly disagree	Count	69	74	143
		% of Total	19.7%	21.1%	40.9%
	Neutral	Count	3	13	16
		% of Total	0.9%	3.7%	4.6%
	Agree/Strongly agree	Count	93	98	191

		% of Total	26.6%	28.0%	54.6%
Total		Count	165	185	350
		% of Total	47.1%	52.9%	100.0%

Table 3h: Cross tabulation: Amount of loan and Autonomy to Spend money on my education

Spending money on my education * Current loan size Crosstabulation					
			Current loan size		Total
			less than 90,000	90,000 +	
Spending money on my education	Disagree/Strongly disagree	Count	96	100	196
		% of Total	27.4%	28.6%	56.0%
	Neutral	Count	15	5	20
		% of Total	4.3%	1.4%	5.7%
	Agree/Strongly agree	Count	54	80	134
		% of Total	15.4%	22.9%	38.3%
Total		Count	165	185	350
		% of Total	47.1%	52.9%	100.0%

Table 3i: Cross tabulation: Amount of loan and Autonomy to Spend on my children's education

Spending on my children's education * Current loan size Crosstabulation					
			Current loan size		Total
			less than 90,000	90,000 +	
Spending on my children's education	Disagree/Strongly disagree	Count	12	26	38
		% of Total	3.4%	7.4%	10.9%
	Neutral	Count	0	3	3
		% of Total	0.0%	0.9%	0.9%
	Agree/Strongly agree	Count	153	156	309
		% of Total	43.7%	44.6%	88.3%
Total		Count	165	185	350
		% of Total	47.1%	52.9%	100.0%

Table 3j: Cross tabulation: Women Economic Empowerment and years of Membership in MF

Women Economic Empowerment * years of Membership in MF Crosstabulation					
			years of Membership in MF		Total
			3 years - 5 years	6years+	
Women Economic Empowerment	Disagree/Strongly disagree	Count	3	1	4
		% of Total	0.9%	0.3%	1.1%
	Neutral	Count	104	20	124
		% of Total	29.7%	5.7%	35.4%
	Agree/Strongly agree	Count	210	12	222
		% of Total	60.0%	3.4%	63.4%
Total		Count	317	33	350
		% of Total	90.6%	9.4%	100.0%

Table 3k: Cross tabulation: Women Economic Empowerment and Number of Children

Women Economic Empowerment * Number of Children Crosstabulation						
			Number of Children			Total
			No children	1-4 Children	5 and above	
Women Economic Empowerment	Disagree/Strongly disagree	Count	0	4	0	4
		% of Total	0.0%	1.1%	0.0%	1.1%
	Neutral	Count	7	54	63	124
		% of Total	2.0%	15.4%	18.0%	35.4%
	Agree/Strongly agree	Count	7	157	58	222
		% of Total	2.0%	44.9%	16.6%	63.4%
Total		Count	14	215	121	350
		% of Total	4.0%	61.4%	34.6%	100.0%

Table3 I: Spearman's rho correlation – Indicators of economic empowerment

Correlations									
		Spending on daily Household expenses	Spending from my savings	Where to use the amount of earning	Sale/purchase of assets or livestock	Spending money on my health	Spending money on my children's /family health	Spending money on my education	Spending on my children's education
Spending on daily Household expenses	Pearson Correlation	1	-.298**	.467**	.079	.370**	.290**	-.169**	.215**
	Sig. (2-tailed)		.000	.000	.142	.000	.000	.002	.000
	N	349	349	349	349	349	349	349	349
Spending from my savings	Pearson Correlation	-.298**	1	-.061	-.087	-.153**	-.188**	.315**	-.110*
	Sig. (2-tailed)	.000		.252	.105	.004	.000	.000	.040
	N	349	350	350	350	350	350	350	350
Where to use the amount of earning	Pearson Correlation	.467**	-.061	1	.121*	.333**	.242**	-.139**	-.020
	Sig. (2-tailed)	.000	.252		.024	.000	.000	.009	.703
	N	349	350	350	350	350	350	350	350
Sale/purchase of assets or livestock	Pearson Correlation	.079	-.087	.121*	1	.484**	.100	.099	.044
	Sig. (2-tailed)	.142	.105	.024		.000	.061	.063	.417
	N	349	350	350	350	350	350	350	350
Spending money on my health	Pearson Correlation	.370**	-.153**	.333**	.484**	1	.255**	-.099	-.013

	Sig. (2-tailed)	.000	.004	.000	.000		.000	.064	.811
	N	349	350	350	350	350	350	350	350
Spending money on my children's /family health	Pearson Correlation	.290**	-.188**	.242**	.100	.255**	1	-.283**	.028
	Sig. (2-tailed)	.000	.000	.000	.061	.000		.000	.608
	N	349	350	350	350	350	350	350	350
Spending money on my education	Pearson Correlation	-.169**	.315**	-.139**	.099	-.099	-.283**	1	-.005
	Sig. (2-tailed)	.002	.000	.009	.063	.064	.000		.929
	N	349	350	350	350	350	350	350	350
Spending on my children's education	Pearson Correlation	.215**	-.110*	-.020	.044	-.013	.028	-.005	1
	Sig. (2-tailed)	.000	.040	.703	.417	.811	.608	.929	
	N	349	350	350	350	350	350	350	350
**. Correlation is significant at the 0.01 level (2-tailed).									
*. Correlation is significant at the 0.05 level (2-tailed).									

All Tables sourced from: Fieldwork Data, 2016.

Women Social Capital development

Table 4a: Descriptive Statistics for women Social Capital Development

Women Social Capital	**Disagree/Strongly Disagree (%)**	**Agree/Strongly Agree (%)**
Increased support in times of financial crisis, bereavement or Celebration	24.3%	75.7%
Increase Access to Useful Business Information and networks	23.1%	76.9%
Increased awareness and participation in social /political events	30.0%	70.0%

Table 4 b: Cross tabulation: years of Membership in MF and Increased Support in times of Financial Crisis, bereavement or Celebration

Increased Support in times of Financial Crisis, bereavement or Celebration * years of Membership in MF Crosstabulation					
			years of Membership in MF		Total
			3 years - 5 years	6years+	
Increased Support in times of Financial Crisis, bereavement or Celebration	Disagree	Count	63	0	63
		% of Total	18.0%	0.0%	18.0%
	Neutral	Count	22	0	22
		% of Total	6.3%	0.0%	6.3%
	Agree	Count	232	33	265
		% of Total	66.3%	9.4%	75.7%
Total		Count	317	33	350
		% of Total	90.6%	9.4%	100.0%

Table 4c: Cross tabulation: years of Membership in MF and Increased Access to info and Networks

Increased Access to info and Networks * years of Membership in MF Crosstabulation					
			years of Membership in MF		Total
			3 years - 5 years	6years+	
Increased Access to info and Networks	Disagree	Count	45	6	51
		% of Total	12.9%	1.7%	14.6%
	Neutral	Count	30	0	30
		% of Total	8.6%	0.0%	8.6%
	Agree	Count	242	27	269
		% of Total	69.1%	7.7%	76.9%
Total		Count	317	33	350
		% of Total	90.6%	9.4%	100.0%

Table 4d: Cross tabulation: years of Membership in MF and Increased Socio-Political Awareness

Increased Socio-Political Awareness * years of Membership in MF Crosstabulation					
			years of Membership in MF		Total
			3 years - 5 years	6years+	
Increased Socio-Political Awareness	Disagree	Count	92	8	100
		% of Total	26.3%	2.3%	28.6%
	Neutral	Count	5	0	5
		% of Total	1.4%	0.0%	1.4%
	Agree	Count	220	25	245
		% of Total	62.9%	7.1%	70.0%
Total		Count	317	33	350
		% of Total	90.6%	9.4%	100.0%

Table 4e: Cross tabulation: years of Membership in MF and Social Capital Development

Social Capital Development * years of Membership in MF Crosstabulation

			years of Membership in MF		Total
			0- 3 years	4years+	
Social Capital Development	Disagree	Count	11	0	11
		% of Total	3.1%	0.0%	3.1%
	Neutral	Count	40	0	40
		% of Total	11.4%	0.0%	11.4%
	Agree	Count	266	33	299
		% of Total	76.0%	9.4%	85.4%
Total		Count	317	33	350
		% of Total	90.6%	9.4%	100.0%

Table 4f: Cross tabulation: Education of women and Social Capital Development

Social Capital Development * Education of women Crosstabulation

			Education of women			Total
			No education	Basic education	Higher education	
Social Capital Development	Disagree	Count	4	6	1	11
		% of Total	1.1%	1.7%	0.3%	3.1%
	Neutral	Count	19	14	7	40
		% of Total	5.4%	4.0%	2.0%	11.4%
	Agree	Count	133	156	10	299
		% of Total	38.0%	44.6%	2.9%	85.4%
Total		Count	156	176	18	350
		% of Total	44.6%	50.3%	5.1%	100.0%

Table 4g: Spearman's rho correlation – Indicators of Social Capital

Correlations

		Increased Support in times of Financial Crisis, bereavement or Celebration	Increased Access to info and Networks	Increased Socio-Political Awareness
Increased Support in times of Financial Crisis, bereavement or Celebration	Pearson Correlation	1	.087	-.092
	Sig. (2-tailed)		.104	.084
	N	350	350	350
Increased Access to info and Networks	Pearson Correlation	.087	1	.274**
	Sig. (2-tailed)	.104		.000
	N	350	350	350
Increased Socio-Political Awareness	Pearson Correlation	-.092	.274**	1
	Sig. (2-tailed)	.084	.000	
	N	350	350	350
**. Correlation is significant at the 0.01 level (2-tailed).				

All Tables sourced from: Fieldwork Data, 2016.

Appendix B: Questionnaire and Interview Guides

Letter of Consent

I am a PhD student at Birmingham City University, UK. This interview is a part of my PhD degree. The data obtained and your responses to this questionnaire will only be used for the purpose of academic research.

My questions broadly cover the impact of microfinance on women entrepreneurial development and economic empowerment. I want to explore whether microfinance is helping the women in establishing their own business, development of entrepreneurial abilities and microenterprise? In addition, I am also interested in determining the ability of microfinance in helping women to increase their economic empowerment within their households. For this purpose, I wish to record the interview with your permission. However, if you feel uncomforTable with the recording then I will make notes of your interview.

There are five Sections of this questionnaire: A: Demographic profile, B: Personal finance income and asset, C: Access to finance and microfinance, D: Women entrepreneurship, E: Women economic empowerment and F: social capital development.

I would appreciate if you complete all parts of this questionnaire.
I am very grateful for your time and cooperation in this regard.

Obinna Nkwocha
PhD Researcher
Birmingham City Business School
Birmingham City University, UK

Questionnaire for Women Clients of Microfinance

Name of the microfinance institution____

Date____

Area (city/village/Town) ____

Part A-Demographic Profile:

Kindly tick (√) the appropriate answer to questions.
A1- Which of the following age brackets do you fall in?

- ☐ 18-29------**1**
- ☐ 30-39-------**2**
- ☐ 40-49--------**3**
- ☐ 50-59---------**4**
- ☐ 60 or More than 60----**5**

Recoded variable Age into 2 categories
1=18-39 2=40+

A2- Which of these options best describes your current marital position?

- ☐ Married ---- **1**
- ☐ Single--- **2**
- ☐
- ☐ Divorced/Separated--- **3**
- ☐ Widowed a **4**

Recoded variable Marital status into 2 categories
1=married 2=Single

A3-How many children do you have?

- ☐ No Children-------**0**
- ☐ 1-2------------------**1**
- ☐ 3-4-------------------**2**
- ☐ 5-6-------------------**3**
- ☐ More than 6--------**4**
- ☐ Not Applicable------**5**

A4- What is your family system?

- ☐ Nuclear Family------**1**
- ☐ Joint Family----------**2**

A5- Who is the head/main decision maker of the family? (You can also tick "others" when your family head is not available in the list below or decisions are made by more than one person and give detail that makes them).

- ☐ Yourself-----------------**1**
- ☐ Husband----------------**2**
- ☐
- ☐ Father/Father in Law--**3**
- ☐ Mother/ Mother in Law--**4**
- ☐ Others (please specify)--**5** ____

Recoded variable household H into 3 categories
1=yourself 2=Husband 3=other household head

A6 and A7-What educational qualifications do you and your Husband/ Family head have?

		A6-You	A7-Husband/Family head
A	No qualifications--------------**0**		
B	Primary-------------------------**1**		
C	Secondary----------------------**2**		
D	Professional Certificate **3**		
E	Business Certificate/Diploma **4**		
F	Bachelors Degree- B.A/BSc./B.Com/B.A (Hons.) (Undergraduate)---------------**5**		
G	Masters Degree-M.A/MSc./MBA/Others (Postgraduate) **6**		
H	Vocational qualifications- (B.Ed, M.Ed, Diploma from Poly technique institution)-----------**7**		
I	Not Applicable------**9**		

Recoded variable education into 3 categories
1=yourself 2=Husband 3=other household head

Part B- Personal Finance, Assets, and Income:

Kindly tick (√) the appropriate answer to questions.

B1-Do you have a current or saving account in a bank in your name?

☐ Yes--------------**1**

☐ No----------------**0**

B2- Did you have a bank account before you apply for microfinance loan?

☐ Yes--------------**1**

☐ No----------------**0**

B3- How much was the monthly income coming into your household before you applied for microfinance loan?

Before joining microfinance	B4 After joining microfinance
☐ Less than ₦ 5000-----------**1**	☐ Less than ₦ 5000
☐ ₦ 5001 – ₦10000-----------**2**	☐ ₦ 5001 – ₦10000
☐ ₦ 10001 – ₦ 15000---------**3**	☐ ₦ 10001 – ₦ 15000
☐ ₦ 15001 – ₦ 20,000--------**4**	☐ ₦ 15001 – ₦ 20,000
☐ More than 20,000-----------**5**	☐ More than 20,000
☐ Less than N 50000----------**6**	☐ Less than ₦ 50000

Recoded variable Income into 2 categories
1=less than ₦ 15,000 2= ₦ 15,001+

B5-Which of the following descriptions best describes your house ownership before you applied for microfinance loan?

- ☐ Owned by me-------------------------------------**1**
- ☐ Owned by my husband/family head---------**-2**
- ☐ Owned by other members of household----**3**
- ☐ Jointly owned by some/all the members of the household--**4**
- ☐ Rented---**5**
- ☐ Living with a relative------------------------------**6**

B6- Who owned the agricultural land before you applied for microfinance loan?

- ☐ Owned by me-------------------------------------**1**
- ☐ Owned by my husband/family head----------**2**
- ☐ Owned by other members of household-----**3**
- ☐ Jointly owned by some/all the members of the household--**4**
- ☐ No agricultural land or not applicable-----------------------------**0**

B7- Did you own any other assets like non-agricultural land, building, vehicles, and gold jewelry before you applied for microfinance loan?

- ☐ Yes--------------**1**
- ☐ No----------------**0**

Part C-Access to Finance and Microfinance Loan:

Kindly tick (√) the appropriate answers of C1 and C3 in the following Table and tick (√) the appropriate the answer to questions C4 to C16.

C1- Can you please tell whether or not you have any of the following types of credit or borrowing at the moment. (You can tick more than one option).

C2- What is the interest rate on the loans?

C3-What is the purpose of the loan?

		C1	C2						C3		
			0.1-9.9%	10-24%	25-49%	50-99%	100 %+	Not sure/ I do not know/ No interest	Business Use **1**	Personal Use **2**	Both **3**
1	Loans from family or friends	**1**	**1**	**2**	**3**	**4**	**5**	**0**			
2	Loans from landlords	**2**									
3	Loans from moneylenders	**3**									

4	Loans from Microfinance eg. Better Livelihood Centre	**4**										
5	private company	**5**										
6	Loans from Commercial Bank	**6**										
8	Loans from Rural Support Programmes	**7**										

C4-If you are using more than one source of credit, which source of credit is more effective in terms of your requirement? (Tick only one)

☐ Loans from family or friends-------------------------------------**1**

☐ Loans from landlord---**2**

☐ Loans from moneylenders---**3**

☐ Loans from Microfinance e.g Better Livelihood Centre ------------------------**4**

☐ Loans from Commercial Bank or Financial Institutions-----**5**

☐ Loans from Rural Support Programmes------------------------**6**

☐ Not applicable--**0**

C5-What is your most preferred option of saving money?

☐ Saving money in bank or in saving certificates---**1**

☐ Informally with work colleagues, friends or neighbors in the committee system------**2**

☐ Putting money in a jar or envelope--**3**

☐ Asking a relative or friends to save or look after money for you----------------------------**4**

☐ Lending money to friends or family as a way of saving--------------------------------------**5**

☐ microfinance saving account with loan--**6**

☐ Other ways (Please specify) ____________________________-----------------------------**7**

☐ Not applicable--**0**

C6-Have you ever tried to apply for loan from formal source of credit like commercial banks and

development financial institution?

☐ Yes **1** ☐ No **0**

C7-Were you successful in securing a loan from a commercial bank?

☐ Yes (Go to question C9) -------**1**

☐ No (Go to question C8)----------**0**

☐ Not applicable--------------------(Go to question C9) **2**

C8- What was the reason for refusal:

☐ I am a woman--**1**

☐ I did not own asset to offer bank as collateral ------**2**

☐ The loan applied was of small amount---------------**3**

☐ I have no credit history-----------------------------------**4**

☐ Any other reason ***(Please Give detail) --------------***
5_______________________________________

☐ I do not know---**0**

☐ Not applicable-------------------- 6 (Go to question C9)--**6**

C9-How many years/months of membership do you have with microfinance institution?

☐ Recently joined, less than 9 months--------**1**

☐ 1 year to 2 years--------------------------------**2**

☐ 3 years to 5 years-------------------------------**3**

☐ 6 years to 8 years--------------------------------**4**

☐ More than 8 years--------------------------------**5**

Recoded variable years of MF membership into 3 categories
1=less than 1years-2 2=3-5 3=6+

C10-What was the amount of the first microfinance loan?

☐ ₦ 30,001 – ₦ 50,000----------------------------**1**

Recoded variable Loansize into 3 categories

1 =less than ₦ 90,000 2=90,001 +

- ☐ ₦ 50,001 – ₦ 70,000------------------------------**2**
- ☐ ₦ 70,001 – ₦ 90,000------------------------------**3**
- ☐ ₦ 90,001 and ₦ 110,000--------------------------**4**
- ☐ ₦ 110,001 – ₦ 150,000----------------------------**5**

C11- What is the amount of your current microfinance loan?

- ☐ ₦ 30,001 – ₦ 50,000-------------------------**1**
- ☐ ₦ 50,001 – ₦ 70,000--------------------------**2**
- ☐ ₦ 70,001 – ₦ 90,000--------------------------**3**
- ☐ ₦ 90,001 and ₦ 110,000---------------------**4**
- ☐ ₦ 110,001 – ₦ 150,000----------------------**5**

C12- Where did you get information about the microfinance institution (MFI) and its credit facilities?

- ☐ From husband / family head-------------**1**
- ☐ From relative---------------------------------**2**
- ☐ From friends/neighbours------------------**3**
- ☐ From loan officers---------------------------**4**
- ☐ Others (Please Give detail) ---------------
5____

C13-What use did you make of the microfinance loan?

- ☐ To start my new business---------------------------------**1**
- ☐ To invest in my already established business--------**2**
- ☐ To invest in my husband's/family head's business---**3**
- ☐ To invest in children or relative or friend's business---**4**
- ☐ To fulfill my family basic needs like food, shelter, clothes--**5**
- ☐ To pay my / children's educational expenses-------------------**6**
- ☐ To pay health expenses of children / family----------------------**7**
- ☐ To pay back another loan--**8**
- ☐ Any other use (please give detail)-----------------------------------**9**
________________________.

C14-Who is responsible for the payment of the microfinance loan taken in your name?

- ☐ I am responsible-------------------**1**
- ☐ My Husband------------------------**2**
- ☐ Family Head------------------------**3**
- ☐ Me and my husband--------------**4**

- ☐ Me and Family head--------------**5**
- ☐ My husband and family head----**6**
- ☐ Me, my husband and family head--**7**
- ☐ Any other (please tell who) -----------**8**___________________________________

C15- Do you receive any training from microfinance institution for business growth and personal health care?

- ☐ Yes--------------**1**
- ☐ No---------------**0**

Part D-Women Entrepreneurship

Kindly tick (√) the appropriate answer. If you are not running business financed through microfinance loan
kindly tick “not applicable” to all the questions of part D.

D1-What is the ownership structure of the business?

- ☐ Sole Trader---------------**1**
- ☐ Partnership----------------**2**
- ☐ Not applicable-------------**0**

D2- How long have you been trading in this business?

- ☐ Less than 1 year----------**1**
- ☐ 1-2 years---------------------**2**
- ☐ 3-5 years---------------------**3**
- ☐ 6-10 years--------------------**4**
- ☐ More than 10 years---------**5**
- ☐ Not applicable----------------**0**

D3- What is your per centage of ownership in business?

- ☐ 1-25%--------------------------**1**
- ☐ 26-50%-------------------------**2**
- ☐ 51-75%-------------------------**3**
- ☐ 76- 100%----------------------**4**
- ☐ Not applicable-----------------**0**

D4- Which form of business do you have and also give detail the business type like poultry, rice husking, boutiques, beauty Salons etc.?

- ☐ Manufacturing____**1**
- ☐ Services____**2**
- ☐ Trading____**3**
- ☐ Other____**4**
- ☐ Not applicable--**0**

D5- How many people do you employ?

- ☐ Only myself-------------------**1**
- ☐ One----------------------------**2**
- ☐ 2-3-----------------------------**3**
- ☐ 4-5-----------------------------**4**
- ☐ 6-10---------------------------**5**
- ☐ More than 10-----------------**6**

D6-Do you employ women in your business?

- ☐ Yes-----------------**1**
- ☐ No------------------**0**
- ☐ Not applicable----**2**

D7- Do you use unpaid services of your family, friends or relatives in your business?

- ☐ Yes--------------**1**
- ☐ No---------------**0**
- ☐ Not applicable--**2**

D8- What are the sources of start-up capital of your business? (You can tick more than one option)

- ☐ Self-funded-------------------------------------**1**
- ☐ Loans from friends, family or neighbors--**2**
- ☐ Loans from landlord or moneylenders-----**3**
- ☐ Loans from Commercial Banks or Financial Institutions---**4**
- ☐ Loans from microfinance providers e.g Better Livelihood Centre ----**5**
- ☐ Not applicable---**0**

D9-On what areas do you spend most of the microfinance loan in business? (You can tick more than one option)

- ☐ Purchase of equipment's or asset for business-------------**1**
- ☐ Purchase of raw material---**2**

- ☐ Initial operating cost cash flows----------------------------------**3**
- ☐ Hiring of labour---**4**
- ☐ To clear business debts--**5**
- ☐ Others---**6**
- ☐ Not applicable---**0**

D10- Please rate the following questions on a scale of 1-5, 1 being strongly disagreed, 2 disagree, 3 neither agree nor disagree, 4 agree and 5 strongly agree and encircle the appropriate number.
Do you agree that you and your business obtained the following benefits after participation in microfinance programs?

Recoded variable MF benefits 3 categories
1 =Neutral 2=Disagree/Stronglydisagree 3== Agree/ Strongly agree

		Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Not applicable
1	Increase in profits	**1**	**2**	**3**	**4**	**5**	**0**
2	Increase in sales	**1**	**2**	**3**	**4**	**5**	**0**
3	Increase in business assets	**1**	**2**	**3**	**4**	**5**	**0**
4	Increase in labour	**1**	**2**	**3**	**4**	**5**	**0**
5	Increased chances of obtaining business loans from other financial institutions	**1**	**2**	**3**	**4**	**5**	**0**
6	Increase in self confidence	**1**	**2**	**3**	**4**	**5**	**0**
7	Increase in communication skills	**1**	**2**	**3**	**4**	**5**	**0**
8	Increase in financial management and computation skills	**1**	**2**	**3**	**4**	**5**	**0**
9	Qualities of foresight and planning	**1**	**2**	**3**	**4**	**5**	**0**

D11-Please rate the following questions on a scale of 1-5, 1 no involvement, 2 very limited control, 3
partial control, 4 significant control, and 5 full control.
Do you have control over the following decisions relating to the business (financed by microfinance
institution) after participation in microfinance program?

	Control on decisions relating to:-	No involvement	Very Limited	Partial	Significant	Full	Not applicable

1	The production process like purchase of raw material, production of goods or rendering of services.	**1**	**2**	**3**	**4**	**5**	**0**
2	Hiring of labour.	**1**	**2**	**3**	**4**	**5**	**0**
3	Sale and marketing of the products or services	**1**	**2**	**3**	**4**	**5**	**0**
4	Finance and accounting like pricing of goods or services, calculating expenses and managing finances.	**1**	**2**	**3**	**4**	**5**	**0**
5	Purchase and sale of business asset	**1**	**2**	**3**	**4**	**5**	**0**

Recoded variable Control 3 categories
1 =No involvement 2=Limited involvement 3= full involvement

Part E- Women Economic Empowerment and Well-being of family

E1-Who made the decision to apply for microfinance loan for the first time?

- ☐ I decided to apply for loan----------**1**
- ☐ My Husband--------------------------**2**
- ☐ Family Head--------------------------**3**
- ☐ Me and my husband-----------------**4**
- ☐ Me and Family head-----------------**5**
- ☐ My husband and family head------**6**
- ☐ Me, my husband and family head--**7**

E2- Who made the decision to use microfinance loan when you first received it?

- ☐ Myself--------------**1**
- ☐ My Husband------**2**
- ☐ Family Head--------**3**
- ☐ Me and my husband--**4**
- ☐ Me and Family head----**5**
- ☐ My husband and family head---**6**
- ☐ Me, my husband and family head---**7**

Please rate the following questions E3 and E4 on a scale of 1-5, 1 being strongly disagreed, 2 disagree, 3 neither agree nor disagree, 4 agree and 5 strongly agree

E3-Do you agree that you are empowered or have freedom to make decisions or participate in making decisions after obtaining microfinance loan?

	I am empowered OR participated in making decision about: -	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
1	Spending on daily household expenses	**1**	**2**	**3**	**4**	**5**
2	Spending from my savings	**1**	**2**	**3**	**4**	**5**
3	Where to use the amount of earning	**1**	**2**	**3**	**4**	**5**
4	Sale/purchase of assets or livestock	**1**	**2**	**3**	**4**	**5**
5	Spending money on my health	**1**	**2**	**3**	**4**	**5**
6	Spending money on my children's /family health	**1**	**2**	**3**	**4**	**5**
7	Spending money on my education	**1**	**2**	**3**	**4**	**5**
8	Spending on my children's education	**1**	**2**	**3**	**4**	**5**

E4 -Do you agree that microfinance helped in your well-being and the welfare of your family?

		Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Not Appli cable
1	Increase in your formal education (school / college level degree)	**1**	**2**	**3**	**4**	**5**	**0**
2	Increase in formal education of your children / family	**1**	**2**	**3**	**4**	**5**	**0**
3	Increase in your nutrition and health	**1**	**2**	**3**	**4**	**5**	**0**
4	Increase in nutrition and health of your children / family	**1**	**2**	**3**	**4**	**5**	**0**
5	Increase informal support from male members of the family (moral support, advice, physical help)	**1**	**2**	**3**	**4**	**5**	**0**
6	Decrease in household/family conflicts	**1**	**2**	**3**	**4**	**5**	**0**
7	Encouragement from husband/family heads to participate in any activity outside the home that was only for your benefit etc.	**1**	**2**	**3**	**4**	**5**	**0**

E5 -Do you receive the following benefits of an increase in income and assets after taking services from microfinance institution?

		Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Not Applicable
1	Increase in income or sources of income	**1**	**2**	**3**	**4**	**5**	**0**
2	Increase in assets –House (purchase or construct house or improvement and renovation of house)	**1**	**2**	**3**	**4**	**5**	**0**
3	Increase in assets –Agricultural land	**1**	**2**	**3**	**4**	**5**	**0**
4	Increase in assets –non-agricultural land, gold jewelry, building or vehicle	**1**	**2**	**3**	**4**	**5**	**0**
5	Increase in household items (computer, sewing machine, TV etc)	**1**	**2**	**3**	**4**	**5**	**0**
6	Increase in poultry and livestock	**1**	**2**	**3**	**4**	**5**	**0**
7	Increase in spending on necessity goods (like Food)	**1**	**2**	**3**	**4**	**5**	**0**
8	Increase in savings	**1**	**2**	**3**	**4**	**5**	**0**

Part F: Social Capital F1

		Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
1	Increased support in times of financial crisis, bereavement or celebration	**1**	**2**	**3**	**4**	**5**
2	Increased access to useful business information and networks	**1**	**2**	**3**	**4**	**5**
3	Increase awareness and participation in social-political events (like sew clothes and pay for membership of social association)	**1**	**2**	**3**	**4**	**5**

Thank you for completing this questionnaire

Recoded variablesocial capital 3 categories
1 =disagree 2=neutral 3= agree

GUIDELINE FOR FOCUS GROUP INTERVIEW

1. How did you know about Microfinance?
2. Why did you choose this Microfinance NGO?
3. Do you think that being part of a group helps? How/Why?
4. Do you belong to other groups in addition to this microfinance NGO?
5. What kind of support do you receive from this Microfinance NGO?
6. How do you take decisions within the group?
7. How do you solve problems within the group?
8. If someone doesn’t attend meetings or doesn’t behave properly (default in repayment), what happens? Are there any sanctions or other tools that the group uses?
9. If you are in need (burials, weddings) what kind of support do you get from the members?
10. Do you own group savings (union purse)? What do you use it for?
11. Are you satisfied with the Credit Officers’ behaviour?
12. In which area do you think the NGO should improve more?
13. What do you think you gained since joining microfinance?
14. Do you think that your life/household has improved since you joined microfinance?

Interview schedule –Heads/Loan officers of microfinance institution
Length of interview 40-60 min

Position of the respondent (optional)____

Designation and branch (city/village) ____

I am a PhD student at Birmingham City University, UK. This interview is a part of my PhD degree. The data obtained and your responses to this questionnaire will only be used for the purpose of academic research.

My questions broadly cover the impact of microfinance on women entrepreneurial development and economic empowerment. I want to explore whether microfinance is helping the women in establishing their own business, development of entrepreneurial abilities and microenterprise? In addition, I am also interested in determining the ability of microfinance in helping women to increase their economic empowerment within their households. For this purpose, I wish to record the interview with your permission. However, if you feel uncomforTable with the recording then I will make notes of your interview. I am very grateful for your time and cooperation in this regard.

Access to finance and microfinance loan
1. Microfinance and loan 1. What is the mission and vision of your microfinance institution? 2. How important is the groups' opinion in order to fulfil your mission? 3. Which kind of products did you put together during the past years to address the needs of the groups? 4. How do you attract or convince the clients to take a loan from microfinance institution and what do you think is the reason why people prefer microfinance than other informal sources of finance? 5. What is your criterion for selection of the client and how you assess that such individuals will use microfinance for any economic activity like establishing a business and pay back the loan? 6. Why are the groups essentially formed by women? 7. Do you think poor people are trustworthy? 8. What lending model do you employ? Why? 9. Do you think that lending through a group is different from lending to individuals? 10. What in your opinion are the needs of the groups? 11. What are the other financial and non-financial services provided to the female clients with the microfinance loan? 12. Are there situations when group members cannot solve problems by themselves? What happens in such situations? 13. Do you provide a loan to borrowers only for doing business (old or nascent entrepreneurs)? 14. What is the interest rate charged/given on loan/savings? 15. What is the loan repayment system? 16. If clients do not repay microfinance loan on time, then what will be the consequences for non-payment? 17. If a woman takes 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?

2. Microfinance savings and Business 1. Do you feel that your 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. When are borrowers allowed to draw on savings? 3. Do you pay interest on savings and how much? 4. Do you think that participation in your microfinance programme will help borrowers to further access to finance from other financial institution?
Group Function
1.Development of microenterprise from microfinance 1. How do you support the groups? (List them) Is it training one of them? If yes, why? 2. Do you provide any training to help the Household to establish business or expand the already established business? 3. How do you think the training improve the functioning of these groups? 4. How is microfinance helping the household to deal with specific economic and social challenges in the way of developing an enterprise? 5. How does MFI help in times when household face a crisis or emergency?
2. Development of entrepreneurial skills from microfinance 1. Do you focus on the development of personal and entrepreneurial abilities like self-confidence, communication skills and ability to take a risk in business, ability to manage money independently etc.? 2. Is any training provided by microfinance institution in this regard? 3. Do you think that participation in microfinance programme contributes to the development of entrepreneurship?
3 Household Welfare 1. Do you have any incentive program or packages for borrower's household? 2. Do you educate borrowers on how to manage income and prioritise expenditure?
3. Empowered to make business decisions 1. Do you support and encourage the women clients to make decisions relating to their business?
Women economic empowerment and well-being of the family
1. Economic Empowerment (Social and political awareness) 1. How is this microfinance institution helping the women to increase their ability to make decisions? (decisions relating to income and household expenses) 2. Do you think that your microfinance programme contributes to the development of women economic empowerment and social and political awareness? 3. Do you think that development of women's entrepreneurship through this microfinance loan is a way to achieve economic empowerment of women?
2. Well-being of the family **1.** How is this microfinance institution helping the women to increase their ability to make decisions relating to the well-being of the family? **2.** What type of services do you provide to the women clients that help them in the well-being of their families?
Social capital: 1. How would you define social capital? 2. Do you consider social capital an asset for the groups and for Better Livelihood Centre? 3. What do you think your organisation could/should do to improve to further empower itself and its clients?
Union purse:

1. Can you explain to me what the union purse exactly is?
Programmes 1. Is Better Livelihood Centre linked to some government programme? Which? 2. Is Better Livelihood Centre linked with banks for any reason (new projects, funds, etc)?
Challenges 1. What are the main challenges that the NGO is currently facing?

Appendix C: Table 2.2: Summary of Previous Analysis of Microfinance Impact on Women's empowerment and Entrepreneurial Development

Literature	Broader theme	Specific Theme	Research design, instruments (sample size) and Analysis	Research Method	Impact Indicator	Area Studied	Result	Study Verdict
Morduch (1998)	microfinance and poverty alleviation	Poverty and wellbeing	survey of nearly 1800 households, treatment vs. control	Secondary Survey data (Quantitative analysis)	consumption, children education	Bangladesh	there is no evidence of an increase in consumption or education caused by microfinance	Negative
Banerjee et al., (2013)	Microfinance impact on poverty and welfare	Poverty and welfare	survey of 6,850 households in treatment and control groups	randomized evaluation	Consumption, health, education, and women's empowerment.	India	No evidence of an increase in monthly expenditure per capita but increases in expenditure on durable and business expansion. Microfinance has no impact on health, education and women empowerment	Negative

Takahashi et al., (2010)	microfinance impact on poverty	poverty	survey of (1 MFI) 200 household in treatment and control groups	panel data (Secondary) (Quantitative analysis)	Income and employment	Indonesia	No evidence of the immediate impact of microfinance on poverty alleviation	Negative
Fafchamps et al., (2014)	Microfinance impact on poverty and microenterprise growth	Poverty	Survey 750 firms in urban Ghana (treatment and control groups)	a randomized experiment using questionnaires (quantitative analysis)	business profit and self-control	Ghana	the study finds no increase in profit from microfinance and strongly rejects in cash investments in microenterprise due to evidence of flypaper	Negative
Lonborg & Rasmussen (2014)	Microfinance access to the poorest	poverty	survey of 890 households from 23 villages (treatment and control)	Questionnaires and interviews (mixed method)	consumption, education and health	Malawi	Evidence that microfinance reaches the poor but is not targeted at the poorest. Compulsory savings requirements deter the poorest from participating in microfinance interventions.	Negative

Garikipati (2008)	microfinance and women empowerment	women empowerment	Survey of 291 married couples (treatment and control)	Questionnaires and interviews (mixed method)	multiple indicators for vulnerability and empowerment	India	the study finds that loans to women borrowers are diverted to household expenditure and asset, whilst the women are not empowered	Negative
Amin et al., (2003)	Reaching the poorest of the poor	poverty and wellbeing	Panel data from a secondary source	secondary source (quantitative)	income and consumption data	Northern Bangladesh	the study suggests that microcredit does not reach the destitute and vulnerable poor	Negative
Navajas et al., (2000)	Reaching the poorest of the poor	poverty and wellbeing	survey of 588 active household borrowers	(quantitative analysis)	outreach outcomes such as depth, worth to users, the cost to users, breadth, length, and scope	Bolivia	The study finds that most microfinance borrowers are the richest poor, the poorest are not reached by microfinance. Group lenders had greater reach than individual lenders.	Negative

Kiiru (2013)	microfinance, Entrepreneurship and poverty	Entrepreneurship and poverty	survey of 400 households in treatment and control groups	Questionnaires, participant observation and focus group discussions (mixed method)	Asset	Kenya	evidence of marginal improvement in household welfare but accompanied by increased use of child/unpaid labour and excessive debt management crises	Negative
Khan (2014)	microfinance and poverty	poverty	survey of 70 borrowers and 40 non-borrowers from 3 districts (treatment and Control)	structured personal interviews	multiple indicators for vulnerability and poverty	Bangladesh	The study finds that access to microcredit increase vulnerability to the poor especially the chronic poor. A static measure of poverty can produce misleading results.	Negative
Khandker & Samad (2013)	Microfinance Growth and Poverty Reduction in Bangladesh: What Does the	poverty	Survey research, in-depth informal interviews (445), treatment vs. control group, quantitative analysis	panel data (Secondary) (Quantitative analysis)	Household Income, Expenditure and Poverty by Microcredit Participation Status	Bangladesh	Microcredit programmes helped participants earn a higher income, consume more, and	Positive

	Longitudinal Data Say?						thereby lifted many of them out of poverty. Findings also suggest that while participation matters, those who have been with the programmes continuously for the last 20 years do even better	
Pitt and Khandker (1998)	Microfinance impact on the poor	poverty and welfare	Quasi-experimental research, Secondary (survey) data. Quantitative analysis	Secondary Survey data (Quantitativ e analysis)	Household expenditure, education and asset	Bangladesh	annual household consumption expenditure increases for women than for men	Positive
Khandker (2005)	microfinance impact on poverty	Poverty	Survey research, treatment and control households	panel data (Secondary) (Quantitativ e analysis)	household consumption	Bangladesh	Microfinance contributes to poverty reduction, especially for female participants, and to overall poverty reduction at the village level.	Positive

Islam (2011)	Medium and Long-Term Participation in Microcredit: An Evaluation Using a New Panel Dataset from Bangladesh	Poverty	Survey research, treatment and control households	panel data (Secondary) (Quantitativ e analysis)	Household income from self-employment, consumption of food and assets like lives stock.	Bangladesh	The impact estimates indicate that the benefits from microcredit vary more than proportionately with the duration of participation in a program. Larger benefits are realized from longer-term participation, and that the benefits continue to accrue beyond a departure from the program.	Positive
IMAI et al., (2010)	Microfinance and Household Poverty Reduction	poverty	Survey method of 5,260 households in multiple locations (treatment and control)	panel data (Secondary) (Quantitativ e analysis)	Agriculture, employment, livestock, assets and sanitation	India	Evidence of significant poverty reduction when loans are used for the productive purpose. This is especially in rural areas whilst any form	Positive

							of MFI loan in urban centres produce more poverty reduction outcome	
Boateng et al., (2015)	Microfinance impact on poverty	poverty	survey method	Questionnaires to 60 borrowers from 2 MFIs (quantitative analysis)	individual income, household growth, access to education and housing	Ghana	the study found a positive relationship between access to microfinance and poverty indicators	Positive
Adjei et al., (2009)	Microfinance, asset building and poverty	poverty	a cross-Sectional survey of 547 respondents (treatment and Control)	Questionnaires to borrowers and non-borrowers from 1 MFI (quantitative analysis)	asset, education, healthcare and expenditure on durables	Ghana	the study found evidence of positive impact of microfinance on expenditure on children education, health and durables especially for established borrowers	Positive
Hartarska & nadolnyak (2008)	microfinance and microenterprise	microenterprise finance constraints	survey sample	panel data (Secondary) (Quantitative analysis)	N/A	Bosnia And Herzegovina	the study indicates that microfinance eased the financial constraints of	Positive

							microenterprises	
Nader (2008)	microcredit and household wellbeing	poverty and wellbeing	Survey of 50 women each from treatment and control groups	interviews and secondary data from program registers (Mixed method)	income, assets, education, health and family harmony	Cairo, Egypt	Evidence of a positive correlation between access to microcredit and income, assets and children education	Positive
Imai & Azam (2012)	microfinance and poverty reduction	poverty and wellbeing	Household Panel data	Quantitative analysis	per capita household income, per capita food consumption, and women's BMI	Bangladesh	the study reports evidence that MFIs loans increased income and consumption and therefore had a significant impact on poverty	Positive
Karlan & Zinman (2010)	Microenterprise access to finance	microenterprise development	survey of 1601 respondent in treatment and control groups	Mixed method	N/A	Manila, Philippines	Evidence of profit rise but for borrowers with higher income and is induced by laying off unproductive	Positive

							staff that creates smaller low-cost enterprises	
Okibo1 & making (2014)	Microfinance and poverty	poverty	survey of 9 MFIs staff and 45 borrowers from 3 branches	questionnaires and open-ended interviews (Mixed method)	N/A	Kenya	the study suggests that microfinance plays a significant role in poverty reduction especially through raising business capital and providing finance access for women's empowerment and children education	Positive
Chliova et al., (2015)	microcredit, entrepreneurship and poverty	entrepreneurship and poverty	Meta-Analysis of 545 quantitative empirical findings from 90 studies	N/A	N/A	N/A	the study found that microfinance has a positive impact on key outcomes regarding borrowers entrepreneurship and also has a significant impact in the	Positive

							more challenging context	
Hossain & knight (2008)	microfinance and poverty	poverty	survey of 100 borrowers	Questionnaires and focus group interviews. (mixed method)	N/A	Bangladesh	The study finds that microfinance is making a significant impact on the lives of disadvantaged people in rural communities. There was no evidence of exploitation, excessive interest rate and lack of welfare for borrowers.	Positive
Abiola (2011)	Microenterprise access to credit	Microenterprise	survey of 2 states	Questionnaires (quantitative)	availability of internal funds, profit and asset	Lagos & Ekiti, Nigeria	the study shows evidence that MFIs alleviated the finance constraints challenge of microenterprises	Positive

Okpara (2010)	Microfinance and poverty	poverty	Panel data from a secondary source	quantitative method	poverty index, credit and Microfinance investment	Nigeria	the study finds that consistent increase in microfinance credit had a significant impact on poverty index and poverty reduction	Positive
EBIMOBOWEI et al., (2012)	Microfinance and poverty	poverty	survey of 286 entrepreneurs drawn from 4 rural areas	Quantitative method. (descriptive statistics, chi-square and ANOVA statistical tools)	N/A	Nigeria	Evidence of a significant relationship between microfinance and poverty. Borrowers will benefit more from microfinance in the presence of adequate infrastructural facilities	Positive
Vachya & Kamiah (2015)	microfinance and women empowerment	women empowerm ent	field survey of 582 borrowers	primary data (quantitative 0	N/A	India	Microfinance leads to the increased ability of women to participate in household decision-making, thus have led to the social	Positive

							empowerment of women.	
Morris & Barnes (2005)	microfinance, welfare and enterprise growth	welfare and enterprise developme nt	survey of three USAID financed MFIs (treatment and control Groups)	Initial questionnair es and interviews from 1332 household and 965 follow up interviews after 2 years (mixed method)	N/A	Uganda	Strong evidence of positive impact of microfinance on households in areas such as, increased start-ups, income, consumption of durables and increased use of farmlands. Microfinance reduces vulnerability through income diversification and asset accumulation.	Positive
Akingunola et al., (2013)	Microfinance and Entrepreneurs hip	Entreprene urship	survey of 300 borrowers	Questionnai res (quantitative)	N/A	Nigeria	The study finds evidence of positive microfinance impact on entrepreneurs hip.	Positive

							Microfinance increases entrepreneurial activities and productivity that lead to sustainable development.	
Mahmood et al., (2014)	microfinance, poverty and women entrepreneurs	poverty and women entrepreneurs	survey of 123 borrowers from four district	questionnaires and semi-structured interviews (mixed method)	Increases in income, family health and education	Pakistan	The study finds that microfinance helps to reduce poverty amongst women entrepreneurs. Evidence of increased income, business networks, health, education and nutrition.	Positive
Kumar et al., (2013)	microfinance and women empowerment	women empowerment	survey of 100 borrowers from two district	Questionnaires, interviews, observations and focus group discussions (mixed method)	Income	Bangladesh	women borrowers are more independent and do engage in household decision making	Positive

Mazumder & wencong (2013)	microfinance and poverty	poverty	survey of 360 borrowers and 60 non-borrowers (treatment and control)	semi-structured interviews (Qualitative)	income, assets development, level of living, lifestyle patterns and poverty status	Bangladesh	Evidence of microfinance positive impact on income, asset accumulation and overall standard of living. Positive impact on poverty reduction.	Positive
Shah et al., (2015)	microfinance and Agricultural development	Agricultural development	survey of 60 borrowers from 3 districts	questionnaires and interviews (Qualitative)	income and crop production	Pakistan	positive impact on agricultural development evidenced through enhanced crop production and increase income	Positive
Roodman & Murdoch (2009)	microfinance and poverty Revisiting the Evidence (Pitt and Khandker, PK, 1998)	Poverty	symposium	panel data (Secondary) (Quantitative analysis)	N/A	Bangladesh	previous studies lack statistical evidence to support claims of microfinance positive impact on poverty alleviation	Mixed

Shaw (2004)	microenterprise and poverty	enterprise development and poverty	survey method with treatment and control groups	structured questionnaire with 253 respondents and 87 interviews (mixed method)	household income, asset and living standard	Sri Lanka	Microfinance impact is possible in semi-urban areas through microenterprise growth but is unlikely to reduce poverty in rural areas due to severe market and infrastructure constraints.	Mixed
Montgomery & Weiss (2011)	Commercial MFIs and MDGs goals	poverty and wellbeing	Survey of 2881 household from 11 districts. (treatment and control group)	Quantitative analysis	food expenditure, health of children and female empowerment	Pakistan	Evidence of positive microfinance impact on expenditure on food, children healthcare and women empowerment. Microfinance is compatible with MDGs goals. However there is no impact on income generating activities, either external sales or	Mixed

							profits, for microenterprises or agrarian activities	
Maldonado & Gonza´lez-vega (2008)	microfinance and education	Education	data from 2 Survey Sample	panel data (Secondary) (Quantitative analysis)	school attendance and age	Bolivia	microfinance may increase demand on the education of the wealthy poor but credit constrained agrarian household show likelihood for increased demand for child labour which is associated with lower demand for education	Mixed
Siyoum et al., (2012)	microfinance, poverty and wellbeing	poverty and wellbeing	Survey of 106 households and 15 interviews	Questionnaires and interviews (mixed method)		Ethiopia	Evidence of improved livelihood for labour rich household but no evidence of poverty	Mixed

							reduction for poorer borrowers	
Xia Li et al., (2011)	microfinance, poverty and wellbeing	poverty and wellbeing	Survey of 424 Households(treatment and control)	panel data, Questionnaires and interviews (mixed method)	income and consumption	China	The study finds evidence of improved household welfare such as income and consumption. However, the vast majority of borrowers are not poor	Mixed
Augsburg et al., (2012)	Microfinance, poverty and education	poverty and education	survey method of 1206 using treatment and control groups)	Interview randomised controlled trial (RCT)	consumption, savings and labour supply	Bosnia & Herzegovina	Evidence of increased start-ups and business expansion due to microfinance access. However, this resulted in increased labour supply of young adults (16-19) which reduced education attendance. No impact on enterprise profit and	Mixed

							household income	
Nelson (2011)	microfinance, entrepreneurship and child labour	entrepreneurship and child labour	survey of 426 households	Panel data from a secondary source	labour supply	Thailand	expanded access to credit raises entrepreneurship behaviour among certain wealth groups and consequently increase the use of child labour	Mixed
Hossain (2012)	Microfinance, poverty and welfare	Poverty and welfare	survey of 208 borrowers	questionnaires and semi-structured interviews (mixed method)	porTable water, children's education, and health, nutrition and family planning	India	Evidence of overall positive impact on the social sphere although non significant on health, nutrition and family planning, negligible impact on education and significant impact on	Mixed

							poTable water and sanitation	
Chemin (2012)	microfinance and poverty	poverty	Survey data originally used in Pitt and Khandker (1998) and Morduch (1999).	panel data (Secondary) (Quantitative analysis)	labour supply, education and expenditure	Bangladesh	Evidence of positive impact on expenditure, Labour supply and education. Microfinance empowers women and promotes self-sufficiency. Repayment rate 95% achieved under 291 days, but microfinance is inefficient at targeting the poorest	Mixed
Angelucci et al., (2013)	Microfinance and poverty	Poverty	survey of 1832 respondents in 238 geographic clusters (120 treatment and 118 control)	panel data (Secondary) (Quantitative analysis)	multiple poverty indicators	Mexico	The study finds that microfinance is generally beneficial but not necessarily	Mixed

							transformative as suggested by advocates.	