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Covenant Journal

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Perspectives And Challenges

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COVENANT JOURNAL OF BUSINESS AND SOCIAL SCIENCES

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The Covenant Journal of Business and Social Sciences (CJBSS) is a publication of the College of Development Studies, Covenant University, Ota, Nigeria. CJBSS is a refereed journal, published twice a year, and covers the various disciplines in development studies. Contributions from allied disciplines that address business and social issues are also welcome.

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The Covenant Journal of Business and Social Sciences is committed to promoting scholarship and a wide dissemination of knowledge in the academic disciplines of development studies. It does not intend to be just another outlet for abstract discourse, but it also seeks to provide practical solutions and alternative policy choices to nagging, topical, contemporary, social, economic, political and strategic issues.

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WOMEN BEHAVIOUR TOWARDS MICROFINANCE SCHEME: AN EXPLORATORY STUDY

Chinonye OKAFOR (PhD) and Uchenna Rapuluchukwu EFOBI

ABSTRACT

There has been a crippling trend in female involvement in business and some of the major challenges. This is traceable to weak and insufficient capital available to them for start up. These have been a major issue in the social sciences in developing strategies that would enhance easy accessibility of women to capital. This paper aimed at examining feminine interest and behaviour in taking advantage of microfinance scheme available to them to run their business. A structured questionnaire was used to obtain the primary data using Lagos metropolis as a case study. Regression analysis was carried out to measure the relationship between the independent variables and dependent variable. The findings revealed that women are too keen in using microfinance as an alternative to formal financial institutions' credit. Based on this, we therefore recommend that the government should create more awareness among women as regards to the need to utilize microfinance as the best financing means for their business development.

1.0 Introduction

Microfinance has been a major influence around the world in financing small and medium enterprises (SMEs) of the poor populace and the less privileged. Microfinance lending has gained prominence due to the applicability of the micro-credit programmes of the Grammen Bank in Bangladesh. This was adopted into the Nigerian financial system, following the initiative of the CBN to reduce poverty and enhance speedy economic growth of the nation (Onyejekwe, 2001; Dahiru and Zubair, 2008). The Nigerian microfinance has emerged strongly from the conversion of some community banks (totaling 600 out of 761 community banks) into micro banks so as to strengthen the 107 microfinance banks already existing, totaling to a 707 microfinance bank presently operational in Nigeria (Soludo, 2008).

Although there has been an increase in the number of microfinance banks available, there has also been a declining effect in the growth of small and medium scale enterprises supposedly to have been financed by microcredit from these institutions especially those owned by women. Many studies have traced the inadequacies of the microfinance to financing of small and medium enterprises to factors especially as it relates to the microfinance institutions point of view (Conroy, 2003; Dahiru and Zubair, 2008; Onyejekwe, 2001). Despite the fact that the feminine gender is very vital in economic development and poverty eradication, few research works have been carried out on the behaviour of women towards microfinance scheme (Cheston and Kuhn, 2002). The objective of this paper is therefore aimed at carrying out an exploratory study on women behaviour towards the microfinance scheme for economic development. To achieve this objective, this study adopts these hypotheses;

Ho1 Microfinance scheme has negative effect on women entrepreneurs' business.

Ho2 Women behave negatively towards microfinance institutions programmes. This paper is structured in such a way that section two provides a review of the existing literature on microfinance and theoretical framework. Section three explains the methodology adopted for the study. The empirical results are presented in the fourth section and section five is the discussions, conclusion and recommendations.

2.0 LITERATURE REVIEW/THEORETICAL FRAMEWORK

2.1 MICROFINANCE: DEFINITION AND CONCEPT

In defining microfinance, the opinions of some authorities in finance are important. Onyejekwe (2001) views microfinance as the banking for the poor, which provides services like loans, savings and other financial services to poor people so as to enhance their participation in the economic development of their countries. Conroy (2003) sees microfinance as the financial services to poor and low income households who have no access to formal financial institutions. Dahiru and Zubair (2008) sees microfinance as income generating strategy for the less privileged. Otero (1999); Hulme (2000), CBN (2005) and Alegieuno (2008) identify microfinance as the best option to the poor as regards to their access to finance. The poor in this context is classified into: 'the poor' city dwellers; (who live in the slums in urban settlement); 'the poor' who lack basic education; 'the poor' who have no skills to compete with, in order to gain suitable employment in the industry and 'the poor' women (who have little or no training but perform dual roles as mothers and as caregivers) (United Nations Capital Development Fund, 2004). Women are the major categories of the poor in the society, whom microfinance institutions are mainly set up for to assist them with capital for their business transactions (Alegieuno, 2008). Microfinance is therefore a strategy put in place to enhance the financing of 'the poor' especially women who are unable to secure loans from the regular commercial banks. Microfinance can take the form of micro

savings, micro-credit, insurance services and some other forms of advisory services (Onyejekwe, 2001; Guo, 2004; United Nations Capital Development Fund, 2004; Dahiru and Zubair, 2008).

2.2 Background of Microfinance in Nigeria

In Nigeria, the microfinance institutions serve presently less than 1 million of the nations' population with female being the majority among the beneficiaries (Otero, 1999; Dahiru and Zubair, 2008). The formalization of microfinance has transcended from traditional informal finance system, which involves the coming together of a group of people with pooled resources to finance their members' ventures. CBN (2000) and Otu, et al (2003) identified these informal finance system mostly exist in rural Nigeria. The informal savings existed until the introduction of microfinance with the intention of financing the poor people's business transactions for their financial empowerment and economic development

The introduction of microfinance institutions to the Nigerian money market led to the emergence of two microfinance banks; microfinance banks licensed to operate as a unit bank with a minimum capital requirement of N20 million and microfinance banks licensed to operate in a state with a minimum capital requirement of N 1 billion (CBN, 2008). This has resolved into 707 microfinance banks in the country, (600 community banks converted to microfinance institutions and 107 microfinance banks already existing in the country) (Soludo, 2008).

2.3 MICROFINANCE AND FEMALE GENDER

Microfinance institutions were primarily set up to help women in generating finance that would be used in poverty alleviation so as to enhance their income and business development (Sharma, 2004). Feminine gender constitutes the majority of the poor populace who need the assistance of microfinance institution (Cheston and Kuhn, 2002; Mayoux, 2002). Although they are seen as the strategic move through which the social development can be achieved through the activities of microfinance (Phuong and Zaki, 2008). The activities of the feminine gender tickle upward and affect the society at large due to the positive effect of microfinance to their well being in particular and to the nations in general. This is because to underutilize the female resources in a country would imply depriving the society of its economic wealth (Thomson, 2002). Iheduru (2002) argues that the Nigerian poverty stream has female majority at the bottom of the ladder irrespective of their active role in patronizing MFIs. Ibid further stated that a survey by the Special Unit of Microfinance of the United Nations Capital Development Fund (SUM/UNCFD) revealed that of the 29 MFIs studied, women constitutes 60% of the client base, while 20.69% of the 29 MFIs focused entirely on women. Women also constitute 52% of the client base of the remaining 79.31% of the MFIs that focused on mix sex programmes. But the percentage of women clients decreases "when only individual loans" or "relatively high minimum loans amounts" were offered (Iheduru, 2002).

2.4 Women Behaviour towards Microfinance

Phuong and Zaki (2008) found out that women appreciate microfinance for their businesses and household transactions. This is in line with the empowerment concept of microfinance. Although women face many challenges in their transaction with microfinance institutions, Johnson (2009) opines that microfinance is more beneficiary to them than to their male counterpart. As a result, microfinance influences women in executing their financial, economical, socio-cultural and political roles. This benefit motivates them to encourage others to participate in microfinance transactions. Their attitude towards microfinance has been viewed by researchers (Onyejekwe, 2001; Cheston and Kuhn, 2002) as encouraging. Some of them go extra mile to educate their entire group members on how to benefit from the activities of microfinance institutions. As Onyejekwe (2001) rightly observed even though that most of the women lack formal education and proper communication skill some of them in the rural areas in Nigeria have devised a means of using local dialects and objects to promote the activities of microfinance among their groups and meeting members. This may cause them to be behave repulsively to MFIs programme. On this regard, Dahiru and Zubair, (2008) suggested that microfinance institutions should design a strategy of using their customers who are mainly women to project their programmes and activities to others.

In support of this, Rugimbana and Spring (2009) posits that for microfinance to be effectively marketed to 'the poor' (women) in Africa, there has to be a global integration with the local belief already in perspective. Hence, the marketing strategy of 'word of mouth' can be used through women to create awareness as regards to the activities of microfinance. This is necessary in order to reduce costs and the resistance that may have been posed by their traditional belief. The behaviour of many women that reflected in the fact that they help in advertising the microfinance programmes tends to give evidence to the perception of their positive behaviour towards microfinance institutions (Jayaweera, 1996). It is reported that women's engagement in mini, small, and self-employment businesses has made them to be seeking very small loans and financial services which is more convenient to be obtained from microfinance banks (Jayaweera, 1996).

2.5 THEORETICAL FRAMEWORK: FEMINISM AND MICROFINANCE

The theoretical framework that underpins this study is feminism. In feminism, several paradigms advocate for microfinance and gender. These include financial self-sustainability paradigm, poverty alleviation paradigm and feminist empowerment paradigm. The financial self-sustainability paradigm advocates that in increasing women access to microfinance services would in itself lead to individual social well being. The poverty alleviation paradigm advocates that

women's unhindered access to microfinance would improve their self-esteem and household well being. The feminist empowerment paradigm advocates that the more access female have to microfinance, the more empowered they become economically, politically and financially. Feminist theory either liberal, social or radical feminism focuses on ensuring that women's access to basic resources such as capital, skilled labour, information, technology and others is encouraged for an enhanced standard of living. Advocates of feminist theory using microfinance have played significant role in ensuring women empowerment. This has made a lot of women to benefit from the services of microfinance institutions in developing economics. As Druschel, Quigley and Sanchez's (2001) statistical report revealed, the highest beneficiaries of the micro credit activities in Asia and Africa are women.

Access to credit, savings and other financial services through the activities of microfinance would enhance the feminine worth and contributions to the society (Druschel, Quigley and Sanchez, 2001). Adopting the feminist theory, Cheston and Kuhn (2002) argued that microfinance banks have to redirect their services towards empowering the feminine gender if they actually want their goals and objectives to be accomplished. Applying this theory to the concept of microfinance, issues such as gender discrimination in granting loans, high level of illiteracy among women, inability of women in recognizing the role of microfinance, mismanagement in the application of the fund borrowed, diversion of borrowed fund to other family issues and so on will be properly addressed by microfinance institutions.

3.0 METHODOLOGY

3.1 THE SIZE OF THE SAMPLE

Four hundred and seventy (470) women were used as the sample size of the study from Alimosho, Agege, Ikeja, Oshodi/Isolo and Mushin areas in Lagos state. These local government were chosen due to proximity and high concentration of micro small and medium enterprises (MSMEs) in these local government area. Lagos is situated with the highest number of MFI-precisely 23.6% of the MFIs in Nigeria are situated in Lagos state (CBN, 2009). More so, 12 states out of the 36 states in Nigeria are setting aside 1% of their budget towards MFIs and Lagos state alone has contributed USD 4.1 Million which ranks as the highest contribution (Ram, 2009). This justifies the choice of Lagos as our area of study. Out of the 470 respondents, 449 questionnaires were retrieved from the respondents. The respondents' data include age, business nature, structure and capital. Other items include information on gender's business and microfinance. Questionnaires as the research instrument were purposefully distributed to the respondents with the assistants of the research assistants. The inability of the researchers in obtaining an authentic registered list of women in MSMEs in Lagos State led to the use of judgmental method as the sample technique of this study (Asika, 1991; Otokiti

Olateju and Adejumo, 2007). A five Likert scaling point which include options such as strongly agree, agree, undecided, disagree and strongly disagree scaled at 5, 4, 3, 2, and 1 respectively was used in structuring the questionnaire.

3.2 MEASUREMENT OF VARIABLES

The demographic data of the women used as our respondents include sex, age, marital status academic level, religion and other related variables were gathered through the means of questionnaire which was structured into three sections with thirty nine (39) items. Most of these items relate to women's financial status and transactions of the respondents. Using questionnaire as an instrument for data collection helped the researchers to obtain objective and precise information of the respondents. A part from the close ended questions which gave the respondents the opportunity to choose their opinions on the research questions; they were also required to express their views as regards to open ended questions in the questionnaires. Two hypotheses were formulated for this study. To test these hypotheses, regression analysis model was adopted. The adoption of regression analysis is based on the fact that it will help the researchers to test the influence of independent variables on the dependent variable established in the study hypotheses.

3.3 COLLECTION OF DATA

Data collected include dependent and independent variables which related to women's business and their behaviour to microfinance. These variables form part of the hypotheses formulated for data analysis.

3.4 HYPOTHESIS

In the light of the above theoretical and literature discussions, the following hypotheses are therefore postulated to understand the effect of women behavior towards microfinance scheme;

Ho1 Microfinance scheme has negative effect on women entrepreneurs' business.

Ho2 Women behave negatively towards microfinance institutions programmes.

4.0 Data Analysis

4.1 Survey Results

The data collected were analyzed based on information on the business, microfinance and the activities of women in business were analyzed using SPSS 12 (SPSS, Inc., 2003) statistical program. Frequency distributions mean and standard deviation were developed based on the respondent's responses for each item as regards. The results of these are showed in the table below.

4.2 Demographic Characteristics of the Respondents

Table 1-shows that out of the 474 questionnaires distributed, 449 or 94.08% of them

were retrieved from the respondents and this forms the sample size of this study. Looking at the age of the respondents, 39 (8.4%) of them are below the age of 20, 137 (30%) of them belong to the age range of 21-30 years, 147(32.7 %), of them are in the age range of 31-40 years, 81 (18 %) of them are in the age range of 41-50 years while only 48 (10.7%) of them belong to the age range of 51 years and above. In terms of the respondents' educational qualification, Table 1 revealed that 56 or 12.4% of them have WASE, 28 or 6.2 % of them have OND certificate, 222 or 49.3% of them have BSc, 101 or 22.4% have the certificate of MSc, while 22 or 4.9% have professional certificate. Also looking at the marital status of the respondents, Table 1 revealed that 137 or 30.2% are single, 301 or 65.6% of them are married, while 7 (1.5%) and 7(1.7%) of them are divorced and widow respectively. On the number of children of the respondents, the result revealed that 132 or 29.3% of them do not have children, 139 or 30% of them have between 1-2 children, 115 or 25.6% have between 3 to 4 children, 36 or 8.0% have between 5 to 6 children while 14 or 3.1 % have 7 children and above. On the issue of the dependants, 141 or 31.3% have no dependant relatives, 102 or 22.8 % have 1 to 2 dependants, 106 or 23.6% have 3 to 4 dependants, 38 or 8.5% have 5 to 6 dependants, while 36 or 8 % have 7 dependants and above.

Table 1. Respondents' Demographic Characteristics.

Variables	Items	Freq.	Percentage	Variables	Items	Freq.	Percentage
Age of the Respondents	Below 20	38	8.4	No of Children	None	132	29.3
	21-30	137	30.0		1-2	139	30.0
	31-40	147	32.7		3-4	115	25.6
	41-50	81	18.0		5-6	36	8.0
	51 and above	48	10.7		7 and above	14	3.1
	Total	449	100.0		Total	449	100.0
Educational Qualification	WASC	56	12.4	No of Dependants	None	141	31.3
	OND	28	6.2		1-2	102	22.8
	BSc./HND	222	49.3		3-4	106	23.6
	MSc./MBA	101	22.4		5-6	38	8.5
	Others	22	4.9		7 and above	36	8.0
	Total	449	100.0		Total	449	100.0
Marital Status	Single	137	30.2				
	married	301	65.6				
	divorced	7	1.5				
	widow	7	1.7				
	Total	449	100.0				

Source: Field Survey , 2008

4.3 Respondents' Business Information

On the respondents' business information, Table 2 shows that 96 or 21.3% of them established their business before 1998, 98 or 21.8% of them established their business between 1999-2001, 98 or 21.8% of them established their business between 2002-2005, 121 or 26.9% established their business between 2006 and 2008. Considering the structure of the business, 299 or 66.4% are in sole proprietorship, 48 or 10.8% are into partnership business while 70 or 15.6 % are into Limited Liability Company. On the business classification, 19 or 4.2% of them are into manufacturing business, 11 or 2.4% of them are into agriculture business, 237 or 52.3% of them are in the service sector while 146 or 33.4% of them are in the trade sector. On the initial capital of the respondents, Table 2 shows that 84 or 18.7% of them started their business with less than N5,000, 38 or 8.4% of them started their business with N5,999 and N10,000, 15 or 3.3% of them started their business with N10,999 to N15,000 as their initial capital, 22 or 4.9% of them started their business with 15,999-20,000, while 203 (45.1%) started business with N20,999 and N25,000 . On their source of capital, 240 or 53.3% of them started their business with their savings, 49 or 10.9% of them started their business with the money they borrowed from their friends and relatives, 51 or 11.3% of them started their business with the money they borrowed from bank, while 79 or 17.9% of them started their business with the money they either borrowed from bank or their savings, only 8 or 1.8% of them started their business by buying on credit. On the issue of their estimated fixed assets, Table 2 also reveals that 68 or 15.1% of them have assets valued at an amount below N150,000, 29 or 6.4% of them have assets valued at amount range of N150,000 to N250,000, 10 or 2.2% of them have assets valued at N250,999 to N400,000, 10 or 2.2% of them have their assets valued for 400,999-555,000, while 204 or 45.3% of them have their assets valued for N550,999 to N700,000.

Table 2 Respondents' Business Information

Variables	Items	Freq.	Per.	Variables	Items	Freq.	Per.
Years business was established	Before 1998	96	21.3	Estimate of fixed Assets	below 150,000	68	15.1
	1999-2001	98	21.8		150,000 -250,000	29	6.4
	2002-2005	94	20.9		250,999-400,000	10	2.2
	2006-2008	121	26.9		400,999-550,000	10	2.2
					550,999-700,000	204	45.3
Structure of the Business	Sole proprietorship	299	66.4	Estimated value of the initial business	Below 5000	84	18.7
	Partnership	48	10.8		5999-10,000	38	8.4
	Company	70	15.6		10,999-15,000	15	3.3
					15,999-20,000	22	4.9
					20,999-25,000	203	45.1
Classification of business	Manufacturing	19	4.2	Sources of Initial Capital	Savings	240	53.3
	Agriculture	11	2.4		Friends and relatives	49	10.9
	Service	237	52.3		Loan from bank	51	11.3
	Trade	146	33.4		Buying on credit	8	1.8
					Combination of i and iii	79	17.9

Source: Field Survey, 2008

4.4 Microfinance and Women

Table 3 reveals that 407 or 85.9 agreed that they are aware of the existence of microfinance institutions, 316 or 72.5% of the respondents agreed that microfinance is capable of enhancing women entrepreneurs economically, 328 or 72.9% also agreed that microfinance can help in enhancing women entrepreneurs' social status, 363 or 80.7% agreed that MFIs can help in enlightening women entrepreneurs on new business opportunities. 333 or 76.2% agreed that MFIs is a good strategy for poverty alleviation in Nigeria, 348 or 77.3% of the respondents believed that empowering women entrepreneurs through microfinance can help in solving their social problems, 332 or 76% agreed that MFIs activities in Nigeria can help in enhancing their business transactions if their operators will extend loans and credit and women entrepreneurs, 325 or 72.2% accepted the fact that empowering women entrepreneurs through seminars and workshops is necessary for equipping them with knowledge and skills for their business advancement.

Table 3 Microfinance and Behaviour of the Respondents

Variables	Freq.	Per	Mean	Std. Dev.
I am aware of the existing programme of microfinance	407	85.9	4.2151	1.1840
Microfinance is capable of enhancing women entrepreneurs economically.	316	72.5	3.8307	1.2221
Microfinance can help in enhancing women entrepreneurs' family status.	328	72.9	3.8441	1.2528
MFIs can help in enlightening entrepreneurs on new business opportunities	363	80.7	4.0067	1.2220
MFIs is a good strategy for poverty alleviation in Nigeria as a result I have introduced the programme to my friends and colleague	333	76.2	3.9317	1.1360
Microfinance can help women entrepreneurs in solving social problems	348	77.3	2.928	1.3560
MFIs activities in Nigeria can help their operators by extending loans and credit to and women entrepreneurs	332	76.0	3.8909	1.2208
Organizing seminars and workshops for women entrepreneurs is necessary for equipping them with knowledge and skills for their business advancement	325	72.2	2.9220	1.361

Source: Field Survey, 2009

4.5 Regression Analysis

To test the hypothesis one, which states that microfinance has negative impact on women entrepreneur's business (WEB), two variables (independent and dependent variables) emerged. The two independent variables items (being aware of microfinance and the empowering capability of microfinance) were regressed against the dependent variable (benefited from microfinance). The result of the analysis in Table 4 shows that all the explanatory variables are significantly correlated towards the dependent variable (benefited from microfinance) at significant level of ($p < .01$). The result of the analysis also revealed that the changes in the dependent variable can be explained by 51% changes in the independent variables. Since our independent variables are significantly correlated towards the dependent variable we then accept the alternative hypothesis and reject the null hypothesis which states that microfinance has negative impact on the women entrepreneurs' business (WEB)

Table 4: Regression Analysis to Test Hypothesis One

Variable	Std. Error	t-Statistics	Sig.	
Capability of MFI to Enhance Entrepreneurs Women Economically	0.2920	0.0560	5.1690	0.0000
Awareness of the Existence of MFI in Nigeria	0.4550	0.0580	7.8620	0.0000
Constant	0.0100	0.2410	0.3550	0.7370
R	0.5140			
R.Square	0.2640			
Adjusted R.Square	0.2610			
Std. Error	1.3003			
Durbin Watson	1.9000			

Source: Field Survey, 2009

To test hypothesis two, Table 5 also shows that several items were used for the measurement of the respondents' behaviour to microfinance. These items which include being aware of the existence of microfinance, microfinance being capable of enhancing women entrepreneurs economically (independent variables) and women entrepreneurs recommending microfinance institutions/programmes to others (dependents variable). The result shows that the independent variables are significantly correlated with the dependent variable based on 1% ($p < 0.01$) level of significant. It is also interesting to note that the women entrepreneurs' behaviour towards microfinance programme's beta and t-value scored 0.2770, 0.3740 and 4.4530, 5.8570 for being aware of the existence of microfinance institutions and being enhanced economically by the microfinance respectively, indicating the existence of strong positive relationship with the dependent variable (having recommended microfinance to friends) at .000 and .000. Since the result from the analysis two also proved to be significant, we therefore accept the alternative hypothesis and reject the null hypothesis which stated that women entrepreneurs behave negatively towards microfinance. The model summary table also shows that the changes in the dependent variable resulted from 43% changes in the independent variables.

Table 5: Test of Hypothesis Two

Variables		Std. Error	t-Statistics	Sig.
MFI is Capable of Enhancing Women Entrepreneurs Economically	0.2770	0.0620	4.4530	0.0000
I am Aware of the Existence of MFIs in Nigeria	0.3740	0.0640	5.8570	0.0000
Constant	0.3140	0.2660	1.1810	0.2380
R	0.4270			
R.Square	0.1820			
Adjusted R.Square	0.1790			
Std. Error	1.4332			
Durbin Watson	1.8260			

Source: Field Survey, 2009

5.1 Discussions, Conclusion and Recommendations

This study was carried out among women in small and medium business in Lagos State. The study examined the behaviour of women towards microfinance as an alternative financial strategy to both formal and informal financial schemes. There are about 7,000 microfinance banks around the world, providing loans to more than 25 million poor people, with women as the major beneficiaries of such loans (Dahiru and Zubair, 2008). To ensure gender equality and proper attention to the feminine gender's role in the society, it was recommended that priority should be given to women in microfinance institutions' scheme for loan disbursement. In line with this, the report of Grammen bank revealed that more than 70 percent of their clients were women (USAID, 2000). This reflected in the result of the

regression analysis of hypothesis one which shows that microfinance has positive impact on WEB. Providing financial assistance to women, with effective monitoring of the impact of such fund on their business performance and quality of life will positively affect the purpose of microfinance (Dsani, 2005, Dalley-Harris, 2005). In support of this, Barry (2004) opined that the positive impact of microfinance on women will fuel their multiple economic activities, build their income, businesses, assets, families, communities and lively-holds. The holistic approach of microfinance towards poverty alleviation among women has positively affected their lifestyle to the extent that a lot of them have devised a means of influencing other women to participate actively in microfinance activities. This concurs with the result of the hypothesis analysis two which revealed that women behave positively towards microfinance.

In conclusion, microfinance as a strategy has helped women to be economically and socially viable. To ensure that microfinance institutions achieve their main objective of empowering the poor, the government should device a means of creating more awareness of the benefits of microfinance especially at the grassroots level. This can be achieved through the microfinance institutions increasing the total amount of loan disbursable to rural women at a reduced interest rate. The interest rate should not be more than 5% per annum, with maximum of one person as a guarantor and without previous credit record. This will enable women to have access to capital for the financing of their business transactions so as to be more involved in the economic development of the country. Apart from this, microfinance institutions can help to increase women's contributions to household income, participation in family decision making, self-esteem in their communities by creating pathways to networks, markets and information so as to enhance their economic, social and political roles. Microfinance institutions should also organize training programmes for women so as to equip them with skills that will enhance their business, accounting, and asset and credit management. This will help to support micro-enterprise development and reduce the high rate of business failure among women.

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