



The Benefit of Microfinance Bank in Poverty Alleviation: A Case of Selected Micro, Small and Medium Enterprises in Anambra State

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Authors' contributions

This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

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ABSTRACT

Poverty is an endemic problem that affects not just the individual or his or her immediate family, but the entire state, and eventually the nation. Poverty causes anger and hunger and this leads to violence in turn leads to reduction in economic growth and development. Through the utilization of descriptive survey involving questionnaire and microfinance banks' directory, and Pearson Product Moment of Correlation Coefficient at 0.05 significant level, the study reveals that microfinance deal with the provision of financial services to SMEs who are traditionally not served by the conventional financial institutions in the country. The study also reveals that Micro Finance Banks have made a lot of impact in alleviation of poverty, thereby increasing the living standard of the people. More so, Micro-Finance Institutions throughout the developing world are providing small loans to the poor for self-employment and proving to be sustainable enterprises in the sight against poverty. The study recommended that federal government should put in place policies and programs that support the existence of Micro finance banks across the country so as to help the SMEs to growth and at the long run, alleviate poverty within the country.

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1. INTRODUCTION

1.1 Background of the Study

One of the macroeconomic goals of economies, especially developing countries (Nigeria inclusive) is to boost economic growth which in turn leads to development of the economy. To achieve this, various measures are considered and these include poverty reduction. The micro finance scheme has primarily developed as a response to the inability or apathy of commercial banks and the formal financial system to serve the needs of low-income households and micro, small and medium enterprises.

According to the central Bank of Nigeria [1], the formal financial system provides services to about 35% of the economically active population, while the remaining 65% are excluded from access to financial services. Microfinance pertains to the lending of small amount of capital to micro, small and medium entrepreneurs in order to create a mechanism to alleviate poverty by providing the poor and destitute with resources. According to Anyanwu [2], microfinance bank is not just providing capital to the poor, but to also combat poverty at an individual level. It also has a role at institutional level. It seeks to create institutions that deliver financial services to the poor, who are continuously ignored by the formal banking sector

Robust economic growth cannot be achieved without putting in place well focused programs to reduce poverty through empowering the people by increasing their access to factors of production, especially credit. The latent capacity of the poor for entrepreneurship would be significantly enhanced through the provision of microfinance services to enable them engage in economic activities and be more self-reliant, increase employment opportunities, enhance household income and create wealth.

As a result of inability to access formal financial services, the poor have developed a wide variety of informal community based financial arrangement to meet their financial needs. Microfinance is created to fill this gap [3]. The gap filled by microfinance institution has made them become part of the formal financial system of a country and so can access capital market to fund their lending portfolios, allowing them to dramatically increase the number of poor people they can reach.

The importance of microfinance in eradicating poverty made the Federal Government of Nigeria to adopt it as the main source of poverty reduction in Nigeria and also mandated the CBN to develop appropriate policy and framework for the operations of MFIs. Despite this, however, the number of beneficiaries of microfinance banks is an insignificant proportion of the people in need of microfinance services. It has been estimated that formal microfinance bank only services less than one million clients in a country where over 70% of the country population of 140 million lives below poverty line [3].

From a worldwide perspective, it has been recognized that micro, small and medium enterprises (MSMEs) play a vital role in economic development, as they have been the primary sources of job/employment creation and output growth, not only in less developed countries (LDCs) but also in developed countries. In IPAR, [4] dissertation, for instance, it states that 12 million or about 63.2% of total labor force in the United States (US) work in 350,000 firms employing less than 500 employees, which considered as MSMEs.

According to Salamatu [5], MSMEs make up more than 99% of all business entities and employ more than 80% of total workforce in the country. These enterprises, often called the foundation enterprises, are the core of the US industrial base [4]. MSMEs are also important in many European countries. In the Netherlands, for example, these enterprises account for 95% or more of total business establishments (Bijmolt and Zwart, 1994).

It is therefore necessary to undertake an assessment for the benefit of microfinance banking and its impact on poverty alleviation through the role of micro, small and medium Enterprises.

1.2 Objectives of the Study

The main objective of this study is to undertake an assessment of the extent to which microfinance banking has impacted on poverty reduction in Anambra state, through the mediating role of micro, small and medium Enterprises.

1.3 Research Questions

In order to achieve the above stated objective, the following research question is advanced:

1. How does Microfinance Banking significantly impact on poverty alleviation and reduction in Anambra State through the mediating role of Micro, Small and Medium Enterprises?

Three features distinguish micro finance from other formal financial sectors. They are, the smallness of loans advanced, the absence of asset based collateral and simplicity of the operation. Therefore, micro finance is about providing finance to small scale enterprises.

2.1 Micro-Finance

The term "micro finance" refers to the activity of the provision of financial services to clients who are excluded from the traditional financial system on account of their lower economic status. These financial services will most commonly be in the form of loans and savings, through some micro finance institutions who will offer other services such as insurance and payment services. According to CBN [6], micro finance is a development tool used to create access for the economically active poor to financial services at a sustainably affordable price.

Since the concept was born in Bangladesh almost three decades ago, microfinance has proved its values in many countries as a weapon against poverty and hunger. It really can change people's lives for the better, especially the lives of those who need it most [7]. It has been evidenced worldwide that microfinance helps the poor to overcome poverty and not through charity. It is a financial system that serves the poor with financial services in a most effective and productive way.

The experience of many microfinance institutions so far strongly suggests that it is possible for the institutions to reach the goal of serving people in extreme poverty without having to sacrifice their profitability. This is mostly because microfinance is designed with the poor in mind, while at the same time being founded on market principles of competitiveness, pricing and sustainability. There is nothing wrong in earning money while serving the poor, as long as earning money does not become the prime or the only goal of microfinance providers. Microfinance institutions throughout the developing world are providing small loans to the poor for self-employment and proving to be sustainable enterprises in the fight against poverty [8].

Micro finance is also about providing financial services to the poor who are traditionally not served by the conventional financial institutions. Accessing financial services by the poor enables them to have control over factors of production, be more self-reliant, generate employment, enhance household income and create wealth.

Looking at the emerging theory of micro-finance, recent developments in developing countries have reinforced the contention that micro finance structures are essential for development of rural areas in consideration of the fact that areas of development in these countries have been traditionally urban-centered [9]. The development of micro finance institutions over the last few decades and its success have shown that microfinance is a major stimulus for combating poverty. Therefore, micro finance as a strategy for economic development should target the poor, given its multiplier effect on production and marginal propensity to consume. Access to credit by this group of people accelerates their income and equally increases their savings and consumption.

The practice of micro finance in Nigeria has always existed since time immemorial, mainly through informal micro finance activities, but there were no established government policies and mechanisms for regulating and supervising activities in the sector. The Central Bank of Nigeria [6] observed that the inability of the formal financial institutions to provide financial services to both the urban and rural poor induced the growth of microfinance institutions. Micro finance institutions provide access to credit for the rural and urban low-income-earners. These institutions are grouped into informal, and formal. The informal micro finance institutions are self-help groups, savings collectors and co-operative societies etc. They generally have limited outreach due to paucity of loan able funds. The formal microfinance institutions are the banks.

2.2 Measurement of Poverty

In computing poverty indicators worldwide, 4 major approaches are used or adopted. They are:

2.2.1 Relative poverty measurement approach

In a layman's word, this basically refers to the standard of living of the majority in a given society and separates the poor from the non-poor. Households with greater than two-thirds of the total household per capita are classified as

non-poor. Those with less than one third are classified as core-poor while those greater than one third but less than two thirds are classified as moderate poor. The moderate poor and core poor in relative poverty measurement are usually grouped together as poor. Income or Expenditure of households are usually employed in indicating relative poverty, and is adopted by most European countries to measure poverty index.

2.2.2 Absolute poverty measurement approach

Absolute poverty simply means a situation in which the individual's basic needs are not covered. It is also known as food energy intake measure of poverty. The United States adopts this approach in measuring its poverty index.

2.2.3 Dollar per day measurement approach

Refers to the Purchasing Power Parity (PPP) index, which defines poverty as the proportion of those living on less than US\$1 per day.

2.2.4 Subjective poverty measurement approach

This is usually based on self-assessment and sentiments from respondents interviewed.

The National Bureau of statistics (NBS) also includes another indicator called "the Gini Coefficient" which is simply a measure of inequality and income distribution in a country. The Gini coefficient ranges between 0 and 1, where 0 corresponds to perfect equality (i.e everyone earns the same income) and 1 which corresponds to Perfect inequality (this is where only 1 person earns all the income and others nothing).

One of the many theories of poverty that fits the Nigerian situation is the functionalist theory [10] which draws a connection or series between economic inequality and the division of labour within our society as a function of the job performed by the individual and attendant reward.

The thrust of this theory is that because of the marked inequalities in our society that create a gap between the rich and the poor, and given different jobs that individuals perform, in our society and the attendant reward that accrue, categories such as the poor and the non-poor, develop. Given the capitalist system that we operate, the non-poor continue to exploit the

poor, thus widening the gap between these two classes and by extension worsening their state of despondency. A corollary to the above is the capitalist entrepreneurial theory [11] which posits that the exploitation of the poor by means of poor conditions of services and low wages, account for the high incidence of poverty in urban centers. In Nigeria, the ruling class uses state resources to exploit the workers. Poor salaries which cannot purchase the basic needs of life, are paid to workers.

Huntington (1998) postulated that "in modernizing states such as Nigerian, Poverty interfaces with corruption and corruption subsists because weak political institutionalization" as a modernizing state, with weak political institutions lack and the capacity to curb the excesses of personnel and parochial interest exhibited by public office holders. Public office holders, therefore cash-in on these weakness and lot as much money as they can from the national tilts. Such stolen public funds are stashed away in foreign banks across the world [12]. Thus, the failure of most social and economic policies in Nigeria since independence lends credence to the fault that the distribution of wealth, income and other social benefits is hampered by the corrupt practices of political elites who most times deliberately distrust the processes of implementation of social, economic, and even industrial policies that have direct impact on the masses.

2.3 The Micro, Small and Medium in Enterprises

While the importance of the MSME sector and the informal sector is acknowledged internationally, defining an MSME is a challenging task, as every country has its own definition. There is no single, uniformly accepted definition of a small firm [13]. Firms differ in their levels of capitalization, sales and employment. Hence, definitions which employ measures of size (e.g. number of employees, turnover, profitability and net worth) when applied to one sector might lead to all firms being classified as small, while the same size definition when applied to a different sector might lead to a different result.

2.4 Theoretical Framework

The theoretical frameworks for this study are anchored on economic and psychological theories.

- **The economic theory** according to Robinson [14], argued that the success of any business venture, including microfinance, is determined by the entrepreneurs' ability to deliver appropriate services profitably
- **The psychological theory** Yahaya, Osemene & Abdulraheem, [15] argues that a profit making private venture that cares for the welfare of its customers can be conceived. In other words, it is possible to develop capitalist enterprises that maximize private profits subject to the fair interests of their customers.

3. LITERATURE REVIEW

Many research works have been carried out on this particular topic. In order to authenticate this research work, the following studies were reviewed;

Pollet [16] carried out investigation on the accessing of micro-finance banks' loans to reduce poverty reduction in Kenya. The researcher used both primary and secondary methods of data collection to generate the needed data. The data obtained through secondary data were analyzed using simple least square regression method (SPSS version 20). It was revealed that microfinance banks have significantly contributed to the mobilization and distribution of financial capital; created employment and income-generating opportunities; constituted a forum for education and training; and set up solidarity schemes to cater for unexpected expenses related to illness, social welfare, death and other socio-economic problems. Adekunle, Adegbite, and Fakayode [17] examined activities of the micro-finance banks in developing Small and Medium Enterprises (SMEs) on poverty alleviation in rural Nigeria, using Ilorin in Oyo state as a place of study. The results from the study have revealed that microfinance banks have assisted in the development of SMEs by giving out loans to SMEs thereby impacting significantly on the reduction level of poverty with the areas. Based on the study findings, the study therefore calls for efforts at increasing loan sums availed SMEs, in order to improve their production output level, monitoring of loan use, adequately mobilization and education of loan to the beneficiaries. Salamatu [5] seeks to identify how microfinance banks can be used as means to alleviate poverty in Kaduna South LGA. Four SMEs and their members were used to buttress the point.

Poverty is on the rampage, thus the need to stamp or alleviate is a welcome development. Primary and secondary data were used in collecting data. In the findings, the microfinance banks have alleviated poverty in Kaduna South Local Government Area by measures of their activities in giving loans to the SMEs and at the same time, educating them on how to manage these loans for maximum productivity. Adetunji [18] conducted a study on fish production, poverty alleviation and microfinance bank success on SMEs. The study was carried out at Ijebu-Ode in Ogun state, Nigeria using 50 SMEs for the study. One hundred and fifty (150) copies of the questionnaire were administered to the respondents but only one hundred and twenty five (125) were collected for this study. The data collected were summarized using frequency distribution and percentage. The study shows that all the farmers cultured catfish (*Clariasgariepinus*) and most of the farmers (88%) stocked fingerlings were successful in fish production due to the loans and strict monitor received from the banks. It can be concluded that 41.6% of the respondents benefitted from microfinance banks and these has significantly helped in poverty reduction within the area. Based on these findings, it is recommended that government should support the SMEs financially through the introduction of loan with one unit interest rate and long term repayment plan to the fish-farmers. Kareem et al. [19] conducted a research on the impact of microfinance banks on poverty alleviation in Ghana. The findings revealed that microfinance banks have effect on member's welfare and the role of microfinance banks in poverty reduction and capital formation cannot be overlooked in the development process of any country particularly the less developed countries like Nigeria. However the suggestion for government assistance to microfinance banks to improve their capital base through the annual budget of the country may require further empirical investigation. Having studied the following literatures, the following null hypothesis is proposed and tested in the course of this study: *There is no significant relationship between microfinance banking on poverty alleviation and reduction in Anambra State through the mediating role of Micro, Small and Medium Enterprises (H₀).*

4. MATERIALS AND METHODS

Research design is concerned with the fundamental question of how the subject matter

of the study will be brought into scope when and how; they will be applied within the limit of the researcher. Research also refers to an investigation carried out into a problem so as to find out facts about that problem or area of study. Descriptive survey design was adopted for this study. This research design was adopted to elicit information from the respondents. This design is used to describe a number of decisions that need be taken by the researcher, which has something to do with the collection of data. This research design therefore help in the structural frame work upon which the research work is built. Its validity and strength determine whether the objectives of the research will be met or not.

4.1 Sources of Data

The data for this research work were made available from two main sources namely primary sources and secondary sources. The questionnaire served as an avenue to primary data collections. The essence of using secondary data by the researcher in this study is to provide theoretical background of the work. The secondary sources of data include textbooks, journals, theses, handouts among others.

4.2 Population of the Study

The word ‘population’, used here refers to an identifiable group of elements or items to which we can apply a research procedure. The total population upon which we based this research work, and from which the sample was drawn, comprised of all the workers in 10 different Micro Finance Banks in Anambra state, the respective customers of the banks and also workers of micro, Small and Medium Enterprises (SMEs) in different business at the time of study. The Microfinance banks have a total of 197 staff, micro, Small and Medium Enterprises (SMEs) has workforce of 104 and their respective customers are 1299. The study has a total of 1600 microfinance bank staff, customers of microfinance bank, owners and workers of the SMEs. Thus, the total population of this study is one thousand six hundred (1600) respondents.

4.3 Sample Size and Sampling Technique

A sample size is the optional number of sampling unit/elements that should be sampled, interview or those who can be useful in the study [20]. Simple random sampling technique was used in selecting workers of microfinance banks, owners and workers in the different SMEs and the

customers of microfinance bank from the population of 1600. In order to get the sample size, Taro Yemani’s formula would be applied. The formula is given as thus;

Thus:

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

Where;

N =Population of the Study =1600;

n=Sample Size;

(e)= Level of significance;

l=Unit (a constant);

Note (e) =0.05

$$n = \frac{N}{1 + N(0.05)^2} = \frac{1600}{1 + 1600(0.05)^2}$$

$$n = \frac{1600}{1 + 1600(0.0025)} = \frac{1600}{1 + 3} = 400$$

Hence, 400 were arrived as sample size. Out of the 400 questionnaires distributed, 376 questionnaires were properly filled and returned which shows that ninety four (94%) percent of the questionnaires were returned and duly filled.

4.4 Method of Data Analysis

The respondents’ characteristics used analyzed using descriptive statistical tool in evaluating and interpreting the data. The use of Pearson’s Correlation co-efficient (r) analysis was adopted to test the hypothesis formulated for the study. The questionnaires were structured in a five point likert scale of Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD), and Undecided (UN) to give the respondents choice of ticking most perceived option. Correlation will be employed to validate the mean likert scale results.

Based on this, the primary data generated from the questionnaire administrated will be presented in Table1. Also, the use of spearman’s correlation co-efficient to test the hypothesis will be considered.

4.5 Research Question

How does Microfinance Banking significantly impact on poverty alleviation and reduction in Anambra State through the mediating role of Micro, Small and Medium Enterprises?

Table 1. Individual's access to microfinance bank loans

S/N	ITEM	RESPONSE OPTIONS					Likert scale	Total
		SA	A	D	SD	UN		
1	Apart from granting loans, are they other services which Micro Finance Banks render to Micro, Small and medium Enterprise	135 (35.90)	219(58.24)	16(4.26)	6(1.60)	0(0.00)	4.28	231(100)
2.	The Effectiveness of the Micro Finance services help to the development of Micro, Small and Medium Enterprises	171(45.48)	189(50.27)	7(1.86)	8(2.13)	1(0.27)	4.39	231(100)
3.	The services rendered by Micro Finance banks aid the growth and development of Micro, Small and medium enterprise into expanding to larger enterprises	136(36.17)	202(53.72)	19(5.05)	12(3.19)	7(1.86)	4.19	231(100)
4.	The development of Micro, Small and medium Enterprise aid in poverty alleviation of masses living in Anambra State	138(36.70)	211(56.12)	13(3.46)	10(2.66)	4(1.06)	4.25	231(100)
5.	The growth of Micro, Small and Medium Enterprise has recorded great impact in the life of Anambraians through their services	133(35.37)	221(58.78)	10(2.66)	12(3.19)	0(0.00)	4.26	231(100)
6.	SMEs are able to offset their loans within the given period	149(39.63)	198(52.66)	20(5.32)	6(1.60)	3(0.80)	4.29	231(100)
7	The lending capacity of Micro Finance Banks in Anambra State has contributed to poverty reduction through improved standard of living	156(41.49)	203(53.99)	10(2.66)	5(1.33)	2(0.53)	4.35	231(100)
8	Micro Finance Banks through the money is lend to Micro, Small and Medium Enterprise have provided enough capital stability that gives financial security from sudden monetary problem	163(43.35)	199(52.93)	7(1.86)	5(1.33)	2(0.53)	4.37	231(100)
9	Micro, Small and Medium Enterprises follow the stipulated guidelines regulating the lending capacity of Micro Finance Banks	159(42.29)	192(51.06)	15(3.99)	7(1.86)	3(0,80)	4.32	231(100)
10	Micro, Small and Medium Enterprises in Anambra State have access to Micro Finance Loans	139(36.97)	209(55.59)	18(4.26)	9(2.93)	5(0.27)	4.26	231(100)

S/N	ITEM	RESPONSE OPTIONS					Likert scale	Total
		SA	A	D	SD	UN		
11	Loans are easily accessible to Micro, Small and Medium Enterprise	143(38.03)	201(53.46)	18(4.79)	9(2.39)	5(1.33)	4.24	231(100)
12	SMEs have benefited from Micro credit loan	137(36.44)	208(55.32)	15 (3.72)	10(2.66)	7(1.86)	4.22	231(100)
	Average	146.58	204.33	13.75	8.42	2.92	4.29	376
	(%)	(38.98)	(54.34)	(3.66)	(2.24)	(0.78)		(100)

Source: Empirical Survey, 2021

4.6 Test of Hypothesis

H₀: There is no significant relationship between microfinance banking on poverty alleviation and reduction in Anambra State through the mediating role of Micro, Small and Medium Enterprises.

This showed that about 38.98% of the respondents strongly agreed with all the items on the average, 54.34% merely agree, 3.66% disagreed, 2.24% strongly disagreed and 0.78% was indifferent about the issue raised. The implication is that 93.32% believed that there is need for micro finance funds and loans for the development of small, micro and medium enterprises in Anambra state. Mean likert scale results show that: The Effectiveness of Micro Finance services help to the development of Micro, Small and Medium Enterprises has the highest mean scale of 4.39. Micro Finance Banks through the money is lend to Micro, Small and Medium Enterprise have provided enough capital stability that gives financial security from sudden monetary problem has a mean scale of 4.37. The lending capacity of Micro Finance Banks in Anambra State has contributed to poverty reduction through improved standard of living has a mean scale of 4.35. Micro, Small and Medium Enterprises follow the stipulated

guidelines regulating the lending capacity of Micro Finance Banks has a scale of 4.32. MSMEs are able to offset their loans within the given period has a scale of 4.29. Apart from granting loans, there are other services which Micro Finance Banks render to Micro, Small and medium Enterprise which has a mean scale of 4.28. The growth of Micro, Small and Medium Enterprise has recorded great impact in the life of Anambraians through their services has a mean scale of 4.26. Micro, Small and Medium Enterprises in the state have access to Micro Finance Loans also has a mean scale of 4.26. The development of Micro, Small and medium Enterprise aid in poverty alleviation of masses living in Anambra State has a mean scale of 4.25. Mean scale of 4.24 is the scale for loans are easily accessible to Micro, Small and Medium Enterprise. Mean scale of 4.22 is the scale for MSMEs have benefited from Micro credit loan. Mean scale of 4.19 is the scale for the services rendered by Micro Finance banks that aid the growth and development of Micro, Small and medium enterprise into expanding to larger enterprises. These likert scale results shows that the scales are above four (4) which shows that the respondents are in the region of acceptance of the significant effect of microfinance bank to poverty alleviation and reduction in the selected geographical location.

Table 2. Pearson correlations analysis

		Strongly Agree	Agree	Disagree	Strongly Disagree	Undecided
Strongly Agree	Pearson Correlation	1	-.828**	.084	.373	-.233
	Sig. (2-tailed)		.001	.795	.233	.467
	N	12	12	12	12	12
Agree	Pearson Correlation	-.828**	1	-.547	-.632*	-.237
	Sig. (2-tailed)	.001		.066	.027	.459
	N	12	12	12	12	12
Disagree	Pearson Correlation	.084	-.547	1	.230	.454
	Sig. (2-tailed)	.795	.066		.472	.139
	N	12	12	12	12	12
Strongly Disagree	Pearson Correlation	.373	-.632*	.230	1	.321
	Sig. (2-tailed)	.233	.027	.472		.308
	N	12	12	12	12	12
Undecided	Pearson Correlation	-.233	-.237	.454	.321	1
	Sig. (2-tailed)	.467	.459	.139	.308	
	N	12	12	12	12	12

Table 2 shows the person correlation analysis of the respondent. It shows that the strongly agree and the mere agreeing is highly significant with significant value of 0.001 to the respondents opinions. While strongly disagree and mere disagreeing are insignificant to the study with insignificant value of 0.308. These correlations concur with the result of the significant percentage respondents and the results of the region of acceptance using mean scale technique.

5. RESULTS AND DISCUSSION

Based on these results of the respondents percentages, mean scale and Pearson correlations analysis, the study there reject the null hypothesis which says that there is no significant relationship between microfinance banking on poverty alleviation and reduction in Anambra State through the mediating role of Micro, Small and Medium Enterprises. However, the alternative hypothesis will be accepted which says that there is significant relationship between microfinance banking on poverty alleviation and reduction in Anambra State through the mediating role of Micro, Small and Medium Enterprises.

6. SUMMARY OF FINDINGS

The result of the hypothesis reveals that there is a significant relationship between microfinance banking on poverty alleviation in Anambra State through the role of Micro, Small and Medium Enterprises. The implication is that Micro Finance Banks have made a lot of impact in alleviation of poverty, thereby increasing the living standard of the people. This finding is supported by [6], that Micro Finance is a development tool used to create access for the economically active poor to financial services at a sustainable affordable price.

7. CONCLUSION

The purpose of this research work is to ascertain the benefit of microfinance bank in poverty alleviation through the micro, small and medium enterprises in Anambra state. In conclusion, the result of the hypothesis shows that there is a significant relationship between microfinance banking on poverty alleviation in Anambra State through the role of Micro, Small and Medium Enterprises. This study has shown that Microfinance banks is a comprehensive approach in providing loan to the poor capital

earner thereby empowering some of them to be employers of labor thereby reducing the number of unemployed youths. These in turn have a lot of impact in our economy and also increase our Gross Domestic Product (GDP).

8. RECOMMENDATIONS

Based on our findings, it shows that micro finance is a tool for poverty reduction, welfare improvement and economic development and as a result we therefore recommend that federal government should put in place policies and programs that support the existence of Micro finance banks across the country. Also mechanism to monitor the activities of these institutions should be put in place.

CONSENT

As per international standard or university standard, Participants' written consent has been collected and preserved by the author(s).

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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