A Survey of the Perception of the Services of Micro Finance Institutions by the Female Service Users in Benin City, South-South, Nigeria

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Abstract

The study examines the perceptions of the services of the micro finance Institutions by the women service users, and how the services of micro Institutions affect businesses of the beneficiaries of the micro credit loans. The research design for the study was the survey method. The instruments of data collection were structured questionnaires and in-depth interview. A total of 450 questionnaires were administered to the female participants, and senior management personnel of the micro credit institutions were interviewed. The cluster and simple random sampling were used to select the participants for the study. The leaders of registered unions were the informants. The result reveals that the poor services and attitude of officials of micro finance institutions and other problems like the regressive tax regimes, harsh economic climate and patriarchy are negatively affecting the business ventures of the loan beneficiaries and by implication the goals of poverty reduction via micro credit scheme. The women beneficiaries are groaning under the burden of loan repayment and meeting other obligations as mothers and wives. This study is applicable in the context of social policy development at this time when social services delivery is not only poor but at dismal level. The need for gender sensitive and social development becomes imperative. It is critical to social work practice in the context of advocacy, empowerment programs, facilitating and initiating service delivery and Community organizing by social workers that will enhance the war against Poverty and other social impediments against women empowerment in Nigeria.

Keywords: Assessment, Empowerment, Social work, Poverty, Women

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1. Introduction

Micro finance institutions have become a factor in finance and economic development. For over a decade now, micro finance institutions are seen as a veritable, good and reliable source or means of providing financial services to the poor in the developing and undeveloped nations in Africa, Asia, Latin America and other continents of the world (Oluyombo, 2010;16). The desire to eradicate poverty and ensure sustainable growth from the grassroots resulted in the promotion and establishment of micro credit/finance institutions in recent times by governments and non-governmental, non-profit organizations in global south, designed to raise the income of the poor, particularly poor women (Midgley, 2007;469).

In Nigeria, the micro finance policy regulatory and supervisory framework was launched in December, 2005. The policy provided for the provision of financial services by Non-Governmental Organizations (NGO), Deposit Money Banks and Micro Finance Bank (the Nigerian Micro Finance, 2009; 12). According to Milford (2010;9), micro

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credit/finance is based on a separate set of principles which are distinguished from general financing or credit from the formal commercial banks. Micro finance activities are tools for poverty alleviation and have been widely and favourably reported in the print and electronic media. For Osaghae, (2006; 26), micro credit has facilitated production (economic activities), consumption and social welfare (health, education and higher consumption). The roles of micro finance in poverty alleviation, according to him, include economic empowerment, increased wellbeing, social and potential empowerment and breakout from the vicious circle of poverty by the poor.

This study examines the perceptions of the services of micro finance institutions by the female service users of the micro finance scheme in the study area.

2. Literature Review

According to Midgley (2007:468) “the term micro credit and micro finance are used synonymously to connote the provision of small loans to poor people or group of people at comparatively low interest rates and with little or no collateral”. Ehigiamusoe (2011:10) writes that micro finance is the provision of financial services to low income clients including the self employed. In essence, micro finance is the extension of very small loans (micro loans) to poor borrowers who typically lack collateral, steady employment and verifiable credit history. It is designed to spur, motivate and encourage entrepreneurship, create independence, increase income, alleviate poverty and also empower women. In response to the Millennium Development Goals of reduction of poverty and empowerment of women, several non-profit, Non-Governmental Organizations established micro finance banks to cater for the specific needs of women through the advancement of loans to women. Today cities and towns all over Nigeria are replete with micro finance banks whose primary targets are the poor, especially poor women.

The extent to which the poverty reduction programme via micro finance has benefited women is still a matter of great debate. Ajakaiye (1996; 15) identified certain factors as obstacles to poverty reduction programmes in Nigeria. The factors include illiteracy, capacity building, gender inequality, patriarchy, etc. The need for impact assessments of the poverty reduction programme via micro credit becomes imperative. Oluyombo (2010; 11) noted that the availability of micro finance institutions is important for some business growth and improvement in socio-economic well-being of the beneficiaries/participants of micro credit scheme. But the ability to determine the benefit or otherwise of such scheme providers relied heavily on the responses of the beneficiaries of the micro finance institutions. The ability of the micro finance scheme to reach the target/service users is very critical in assessing the impact of any micro finance initiatives. It is imperative therefore to carry out an impact assessment of the micro finance scheme as a tool for poverty reduction. Shaw (2004) succinctly posited that impact assessment is important in order to ascertain the viability of efficacy of micro finance scheme on poverty reduction among the very poor and low end of the income spectrum. It therefore means that the usefulness of any micro finance scheme/ programme and/or institutions cannot be effectively determined without an appropriate measurement of its impact among the beneficiaries of its services. (Oluyombo, (2010; 8).

Despite the plethora of studies of the impact of micro finance in Nigeria, Anyanwu (2004), Elumilade et al (2006), Ifeanyi (2008) and Oke et al (2001), Mkpado and Arene (2007), Odijide (1997), Aseyeghagu (2004), none of these studies examines the perceptions of the services and activities of the micro finance institutions by the service users/beneficiaries of the micro finance institutions. The focus of the study was the evaluation of perceptions of the service of micro finance institutions in the study area.

The ideas relating to micro credit/finance can be found at various times in modern history but its current, practical incarnation can be linked to several organizations founded in Bangladesh especially in *Grameen Bank*, (Holis, 1997). But despite the plethora of studies carried out by researchers into the impact assessment of micro credit finance as tool for poverty reduction, much debate remains as to the benefits to the poor participant. Such studies have produced mixed results. In a study, entitled micro finance as a strategy for poverty reduction in Nigeria, Akanji (2008) reported that micro finance is indeed a strategy of poverty reduction because it is a progressive strategy for Nigeria to have developed a strong linked institution by merging the formal, semi-formal and informal institutions which in the past offered credit to the poor under one umbrella of Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) with a lot of gains to the service users of micro finance institutions.

Mkpade and Arene (2007) reported in their study that micro credit group dynamics are major features of micro finance in Nigeria. According to them, the sustainability of micro credit institutions in developing economies has been a problem associated with low meeting attendance and loan repayment which culminate in disintegration of the group. The study examine the effects of democratization of group administration using frequency of meeting schedules/attendance which is a measure of interest in the groups as determining variables for sustainability.

Robinson (2001) examines micro finance as small scale financial services – primarily credit and savings provided to people who farm or fish or herd; who operate small enterprise where goods are produced, recycled, repaired or sold; who provide services; who work for wages or commission; who gain income from renting out small amount of land, vehicles, draft animals, or machinery and tools; and to other individuals and groups at the local level of developing countries both rural and urban.

Nwanyanwu (2011) argues that micro finance scheme holds a lot of prospects for the Nigerian economy as it is expected to empower low income earners, reduce poverty, generate employment and encourage grassroots development amongst others. The researcher also listed problems facing micro finance serve users and the micro institutions themselves. The problems include inadequate finance, high risk, heavy transaction cost, mounting loan losses, and low capacity and low technical skills on micro financing. Roodman (2013) writes that micro finance recently has been criticized by many for not delivering on their earlier promise and expectations. According to him, after putting the propositions through a series of rigorous mathematical tests, the conclusion is that the yardsticks for measuring the success of the micro finance sector are more complex, subtle and elusive than people realize. The lengthy academic controversy about the impact of micro finance on poverty was sparked by a study by Professors Mark Pit and Shahieur Khandker in the *Journal of Political Economy*. The study concluded that micro loans did indeed; reduce poverty, especially when they were given to women.

3. Research and Methodology

3.1 Objectives of the Study

Two theories informed this study. They are the *Right Based Approach* that examines the notion of poverty as a violation of human rights; (Campbell,2003;Turk,1992} and *gender-class analysis* that explores the social construction and dynamics of gender and class as fundamental bases for social stratification (Turner, Kaara & Brownhill, 1997).

The aim of this study is to assess the extent to which micro finance schemes extended to the poor women beneficiaries in the study area have helped to reduce the level of poverty in the context of the services of the micro credit institutions to the female beneficiaries. The specific objectives of the study are to:

Explore the perception of the women beneficiaries of micro credit institutions, services in course of advancing loan/credit to and management of the loan repayments modalities by the women beneficiaries in the study area.

Evaluate the various services rendered to the women by the micro finance institutions in the course of advancing the credit/loan to the female beneficiaries.

Identify the impact of the bio-data and other social differentials on the perception of the services of the female beneficiaries of the micro credit schemes in the study area; and

Identify the impact of such various services and activities of the micro credit institutions on the poverty reduction programmes and patronage by the women beneficiaries in the study area.

3.2 Application of the Model

A survey design was adopted for this study. The study was carried out in Benin City, Edo State, Nigeria. The survey design was adopted in order to appropriately elicit information relating to the attitudes of the participants which were necessitated by the attitudes of the officials of the micro finance institutions. This was to ensure the confidentiality of the interactions between the researcher and the women participants. The information/data for the study was through the use of structured questionnaires and supplemented with relevant secondary data sources or documentation in the area of poverty incidence in Nigeria, poverty reduction and other relevant information relating to micro financing in Nigeria. The cluster sampling method was used in selecting the population for this study. The micro finance banks are concentrated and located in Benin City, the administrative Head-quarters of Edo State of Nigeria, and the traditional home of the Benins of South-South Nigeria. The women participants for the study were contacted at micro finance banks and their union meeting points/designated venues for meetings. One of the policies of the micro finance banks is that only registered unions are given loans, not individuals. The women unions are the collateral for any loan advancement hence the women meet every Wednesday morning for deliberations on issues affecting them as a group and severally as individuals. It was during the weekly meetings that the participants/volunteers for the study were contacted; the questionnaires administered and organized the Focus Group Discussion (FGD).

A total of 450 questionnaires were administered to the participants' by three trained research assistants who read the questions to the women and completed the questionnaire accordingly. This is because the women were not literate

enough to complete the questionnaire themselves. In addition to this, a total of 8 senior management staff of micro finance banks were interviewed and 2 sessions of focus group discussions were organized for the leaders of the selected registered unions with the micro finance institutions in the study area. The views of the leaders of registered unions are very important considering the fact that these leaders are the chief negotiators on behalf of the unions and also ensure that only credible people are admitted into the unions and prompt payment of interests and loan capital repayment made when due.

The combination of qualitative and quantitative data was to ensure robust, detailed and all-embracing findings of this study. (Flide,2006). The data collected were analysed statistically using simple percentage, SPSS, chi-square and spearman rank for the cross-tabulation of the responses of participants and testing of hypothesis.

3.3 Study Area

The study was carried out in Benin City, Edo State, South-South, Nigeria, Benin City, is the economic and administrative headquarters of Edo State, Nigeria. Benin City is split into three administrative and political local government areas namely – Oredo, Egor and Ikpoba-Okha. But the nerve-centre and Central Business District (CBD) of the city is Oredo Local Government Area. Oredo local government area is replete with banks, micro finance institutions/banks, brokers, and Federal, State and Local Government offices. The socio-economic activities of the Central Business District of the study area are reminiscent of any central business district all over the world. The choice of the study area was necessitated/informed by the socio-economic activities in the area; the heterogeneity of the high population and dynamic nature of the society

4. Empirical Data and Analysis

After fieldwork, the data collected from respondents were screened. The aim was to ensure that errors that were contained in them were revisited for correctness and processing. Moreover, data from other sources adequately complimented the primary data collected through the questionnaires and focus group discussion (FGD). The analysis was done in such a way that the research questions raised at the beginning of the investigation were tested empirically, that is, in the light of available evidence.

4.1 Research Question One

This research question states as follows:

What are the general profiles of female beneficiaries of micro-credit loan scheme in South Senatorial District of Edo State?

In order to answer the question, data generated in respect of six variables in the areas of beneficiaries' age, marital status, level of education, religious affiliation, types of occupation and number of times loans were assessed were analyzed. The summary is shown in Table 1.

[Insert Table 1]

Age Distribution of Beneficiaries

From the table above, out of 450 respondents, only 1.3 per cent was below the age of 20 years. Female clients aged 21 – 40 years were 47.1 per cent; those between the age brackets 41 – 60 years were 36.2 per cent while those above 60 years of age were 15.3 per cent.

Marital Status

In terms of marital status, 14.2 per cent of the respondents were unmarried or single; those married were 61.6 per cent; while 12.9 per cent claimed to be separated. Those who claimed to be widowed were 11.1 per cent of the sample. Only 0.2 per cent said they were divorcees.

Level of Education

Examining the distribution in respect of educational levels of respondents, 8.0 per cent of the sample had no basic education whatsoever. A total of 34.4 per cent had primary education, 9.8 per cent had junior secondary education or its equivalent; while 23.8 per cent had senior secondary education/General Certificate of Education (GCE)/National Examination Council (NECO) Certificates. Holders of National Diploma/National Certificate of Education (NCE) were 12.2 per cent. Those with Higher National Diploma/First Degree were 9.3 per cent; while 0.4 per cent had Masters/Doctor of Philosophy degrees or equivalents.

Religious Affiliation of Respondents

Christians in the sample were 89.8 per cent; Muslims or adherents of Islam 7.3 per cent; while 2.7 per cent professed other types of religion. However, 0.2 per cent of the sample claimed not to profess any religion at all.

Occupation of Respondents

A total of 78.9 per cent of beneficiaries sampled were Traders or doing business; Civil Servants or Government workers were 8.4 per cent while 6.4 per cent were teachers at various levels of the educational system. About 6.2 per cent were engaged in professions different from those outlined above.

Number of Times Loan Accessed by Beneficiaries

Data in respect of this revealed that 23.6 per cent of beneficiaries have accessed loans only once; while 31.1 percent have done so at least twice. Nearly half of the sample (45.3 per cent) claimed to have benefited from microfinance loans more than twice.

4.2 Research Question Two

The research question states as follows:

What are the institutional and regulatory frameworks which guide the activities of microfinance schemes in the study area?

To investigate the above issue, in-depth review and analysis of documents related to microfinance activities were made at the Benin Branch of the Central Bank of Nigeria. These were supplemented with local or internal documents kept by various Microfinance Institutions operating in the study area.

Based on the analysis carried out, the core elements which constitute the *institutional* and *regulatory* framework of microfinance institutions in South Senatorial District of Edo State are outlined below:

- i. *It is mandatory for prospective members to join already existing and registered unions with Micro Finance institutions before they can benefit from the loans schemes offered by them.*
- ii. *It is mandatory for all prospective and existing clients/beneficiaries of micro credit institutions to register with and open **savings account** with the micro credit institution they have enlisted. The minimum amount allowable for such initial account is Two Thousand Naira (N2, 000) only.*
- iii. *For most micro credit organizations, a prospective loan beneficiary must operate the account for a minimum period of three (3) months before being considered for loan facilities.*
- iv. *On qualification for loan facilities, prospective clients on request are entitled to an initial minimum loan of Thirty Thousand Naira (N30, 000) only. Out of this amount, Six Thousand Naira (N6, 000) only is retained by micro finance institution as caution/deposit or insurance buffer fund.*
- v. *Prospective clients are trained on business ethics, investment opportunities and business management skills. The aim of this exercise is to enlighten them on the vagaries and vicissitudes of the Nigerian economy and business environments generally and how to adapt without losing out.*
- vi. *Prospective clients are also required to complete bond/forms and other formalities as individuals and also as members of a union registered with the micro finance institution.*
- vii. *After obtaining the loan, the client is given three (3) months as period of grace (moratorium) to stabilize in the business. Thereafter, field credit officers of the particular institutions will commence routine visits to the business premises of clients for inspection, counseling and recovery of loans accessed.*
- viii. *It is mandatory for the operators of microfinance institutions to organize quarterly meetings for credit officers/supervisors of their institutions and all members of the unions.*
- ix. *The lowest amount of loan which can be accessed by clients is Thirty Thousand Naira (N30, 000). This is expected to be fully paid back within a period of 9 months to one year. The above practice is not uniform for all micro finance institutions. Variations exist depending on the operational modalities of the microfinance institution in question.*
- x. *Microfinance institutions are permitted by law to embark on **recovery of loan drive** each time client's default in repaying their loans.*

Loans are usually not given out to applicants/clients in the month of November and December, tagged peak periods, when loans are supposed to be returned or paid back in full. Those who enjoy exemption to this rule are those clients with *special reputation, long period of membership* and occupying exceptionally *high status* in the society.

4.3 Research Question Three

This research question sought to find out the problems women face in accessing the microfinance loans scheme in the study area. Specifically, the research question is stated as follows:

What are the socio-cultural, economic and other challenges facing against utilization of micro-credit facilities the female beneficiaries in Edo State?

The problems faced by female beneficiaries of micro credits ranged from the attitude of the micro finance officers to period of repayment of loans. Some of the problems identified and isolated after the analysis of data are presented hereunder:

[Insert Table 2]

The cross tabulation of the variables however revealed the patterns and dimensions of the perceptions of the services of micro finance institutions and such services affect the success or otherwise of poverty reduction programs in the study area. The results of the cross tabulation is presented hereunder:

[Insert Table 3]

Out of all the respondents who said that interest rate is low, 173 (50%) are younger i.e. 40 years and younger while 173 (49.3%) are older i.e. above forty years of age. For those who said that interest rate is high 40 (40.4%) are younger while 59 (59.6%) are older. A look at the chi square value shows that ($\chi^2 = (N = 450, df = 1) = 3.285$, PC .044. This analysis shows that the older respondents perceived the interest rate charged by the micro finance banks as high probably because of the age, experiences and exposure. They see the interest rate as high because of the rate and level the purchasing power of the Naira has fallen over the years. The older people still evaluate price and purchasing power of the Naira as it used to be 20 or 10 years ago especially those above 60 years who used to buy a lot with a Thousand Naira but now the same One Thousand Naira can barely buy a few things. They find it difficult to come to terms with the devaluation of the Naira, inflation and purchasing power of our currency. Hence the older respondents believe the interest rates is very high while the younger respondents see the interest rate as low in consonance with their age and experiences in life.

On the question of whether micro finance banks give the loan on time when clients apply, there was no significant difference between the views of the younger and older respondents. For example 170 (48.2%) of younger respondents said Yes that micro finance banks give loan on time, while 183 (51.8%) of older respondents also said Yes to the question of whether loans are given on time. Similarly, 48 (49.5%) of younger respondents said that loan are not given on time at all, while 49 (50.5%) of older respondents also said that loan are not given on time at all. A look at the chi square value ($\chi^2 = (N = 450, df = 1) = .053$, PC .453, shows that the perception of the respondents on the questions of whether loans are given on time was not affected by their age or experiences in life.

The analysis of the data on the question of whether the repayment period of micro finance banks was adequate by the respondents shows that there was no significant relationship between the opinions of the younger respondents from that of the older respondents. For example, 156 (48.3%) of younger respondents – 40 years and younger said that the period of repayment of loan was in order by them while 62 (48.8%) said that the period was not adequate. Similarly the older respondents i.e. 40 years and above said that the repayment period was adequate and this were 167 (51.7%) while 65 (51.2%) said the repayment period was not adequate for them. A look at the calculated chi square value attests to this ($\chi^2 = (N = 450, df = 1) = .010$, PC .502).

On the question of the view about the amount of loan micro-finance banks give 129 (47.6%) of younger respondents said the amount of loan is satisfactory and 89 (49.7%) of younger respondents said it is not satisfactory. Similarly, 142 (52.4%) of older respondents said that the amount of loan given was satisfactory while 90 (50.3%) said the amount was not satisfactory. Chi square value ($\chi^2 = (N = 450, df = 1) = .193$, PC .365). This analysis show that the older respondents agreed that the amount given is satisfactory as against 47.6% of the younger respondents who claimed that the amount was satisfactory. This also buttressed our earlier position that the older respondents who still regard the value of the Naira as of old, i.e. of very high value compared to the younger respondents who didn't experience the period when the Naira was almost equal to the major foreign currencies like the Pound Sterling and the Dollar. Chi square value attest to this ($\chi^2 = (N = 450, df = 1) = .193$, PC .365).

On the question of how micro finance has impacted on the lives of the female beneficiaries, the analysis also shows that there is a significant difference between the older and younger respondents. For example, 166 (45.7%) of younger respondents said that micro credit scheme has positive impact on their lives as against 197 (54.3%) of older respondents who said that micro credit scheme has positively impacted their lives. Similarly, 52 (59.8%) of younger respondents said that micro finance scheme has not made any positive impact on their lives as against 35 (40.2%) of older respondents who said micro credit scheme has not made any positive impact on their lives. This analysis shows that age has a lot to do with social perception, satisfaction and contentment. The world view of older people is usually colored by their experiences and conservatism because they tend to accept certain vagaries and vicissitudes of lives as normal while the younger respondents' view on the impact may be as a result of their social perception, cosmology and the jet-age belief system of life on the fast lane where taste, fashion, and acquisitive spirit for the luxury of life are accepted as normal. The chi square values of the analysis attest to this.

$$(\chi^2 = (N = 450, df = 1) = 5.527, PC .013).$$

There was also a cross tabulation of the level of education against other variables and research questions.

[Insert Table 4]

Analysis of the respondents' view on interest rate shows that 176 (50.1%) of the respondents with low education said the interest rate is low while 175 (49.9%) of high education respondents said the rate charged is low. Similarly, 68 (68.7%) of low education respondents said that the interest rate charged by micro finance banks is high while 31 (31.3%) of high education respondents said the interest rate is high. This shows that level of education i.e. (No

education, primary and junior secondary as low education, while secondary school education and above as high education) have little significance in the perception of the respondents. Chi square value of analysis attests to this.

$$\chi^2 = (N = 450, df = 1) = 10.675, PC .001$$

On the question of whether micro finance banks give loan on time when respondents apply, 198 (56.1%) of respondents with low education said Yes, loans are given on time when applied for, while 155 (43.9%) of high education respondents said Yes. Similarly, 46 (47.4%) of respondents with low education said not at all i.e. loan are not given on time when applied for; while 51 (52.6%) of those with high education said No, loans are not given on time. This shows the social perception of time and time management by respondents as informed by their level of education. This means that respondents with high education see time are precious and hence dictate the fogey and bureaucratic inertia and bottleneck associated with the snail speed with which loans are processed by micro credit finance banks as against respondents with low education who didn't seem to mind the delay in processing the loan applications by micro credit finance banks. Chi square value of the analysis buttresses this more.

$$\chi^2 = (N = 450, df = 1) = 2.298, PC .081.$$

On the question of whether micro finance banks discriminate when giving loans to applicants, 40 (42.6%) of respondents with low education said Yes while 54 (57.4%) of respondents with high education said Yes, as against 152 (42.7%) who said No. Similarly, 204 (57.3%) of low education respondents said that micro credit banks don't discriminate when giving loan to applicants. This shows that educated people perceived discrimination more significantly from low educated respondents. This has to do with the ability of the high educated respondents to read meanings to body language, tacit innuendo and repulsive attitudes and languages of micro credit finance officers. The high education respondents will easily comprehend such not-too-good mannerism of the micro finance officers unlike the other respondents who may not comprehend the undesirable mannerism of the officials of the micro finance banks.

The analysis of the question of whether micro finance banks show interest in respondents business shows that there is significant difference between the perception of interest on business by the low and high education respondents. For example, 186 (54.4%) of low education respondents said Yes, they show interest while 156 (45.6%) of high education respondents said Yes, that micro finance officers show interest in business ventures of respondents. Similarly 58 (53.7%) of low education respondents said No. Micro finance banks don't show interest as against 50 (46.3%) high education respondents who said No, they don't show interest. This means that education is a determinant of how people appreciate others' attitude towards one another. Here the high educated people may view the mere rhetoric of micro finance banks as inadequate, rather they (high educated respondents) will expect more commitment in terms of concrete, visible and feasible assistance rather than mere expression of interest which will not add to the value or growth of the business ventures of their clients. The low education respondents may not have the wherewithal to comprehend the lip services and rhetoric of micro finance banks officers as inadequate and valueless to the business growth and well-being of the respondents/clients. Chi square value;

$$\chi^2 = (N = 450, df = 1) = .158, PC .381$$

On the measurement of impact of micro credit scheme on the lives of respondents, the crosstab between low education and high education correspondents' analysis shows high level of significance between their responses. The analysis shows that 209 (57.6%) of low education respondents said that micro credit loan has positively impacted their lives while 154 (42.4%) of high education respondents said that their lives have been positively impacted by micro credit loan. Conversely, 35 (40.2%) of low education correspondents said that micro credit loans have no impact on their lives as against only 52 (59.8%) of high education respondents. This shows that education is a significant determinant of the level of satisfaction and fulfillment in life. Here, the low educated respondents are satisfied with the outcome of loan taken from micro credit banks. The impact the loan has made may be due to their taste, cosmology, and contentment with their achievements. A primary school certificate holder will feel satisfied with what the N30,000.00 (Thirty Thousand Naira) can offer and do for her but an NCE holder will certainly feel dissatisfied with not only the amount given but also the outcome of the business ventures the loan is used for. The expectations of degree holders will definitely be higher than the junior secondary school certificate holders whose set goals and aspirations will be higher.

Hence the low education respondents will see their present status as loan beneficiaries as an end in itself but with little room for improvement, the higher education respondents will see the loan as means to an end i.e. hoping for better opportunities to manifest hence their level of satisfaction (impact of loan). The chi square values of the analysis attest to this.

$$(\chi^2 = (N = 450, df = 1) = 8.488, PC .003.$$

[Insert Table 5]

The analysis also entails the number of times respondents have borrowed money from micro finance banks and the relationship between this number of times and other variables and questions in the questionnaires. One of such analysis was the cross-tabulation of the number of times loan has been taken and the view of respondents about the interest rate charged by micro finance banks. There was cross tabulation of those that have borrowed once and twice against those that have borrowed more than twice on their view about interest rate charged by micro finance banks. The analysis show that 210 (59.8%) of those who have borrowed once and twice said that the interest rate is low, while 141 (40.2%) of those who have borrowed more than twice said that the interest is low. Similarly, 60 (60.6%) of those who have accessed loan at least twice said that the interest is high while 39 (39.4%) of those that have accessed loan more than twice said that interest rate is high. The result of this analysis shows that the respondents who have been in the business with loan from micro credit banks feel not only comfortable with more loan, but also regard the interest rate as low as against the new comers who have borrowed once or twice who feel that the interest rate is very high. Chi square value supports this.

$$(\chi^2 = (N = 450, df = 1) = 0.019, PC .492.$$

The result of the analysis also reveals that the respondents that have borrowed more than twice said the amount given is not enough (41.0%) as against those that have borrowed once and twice (59.0%) who said the amount of loan micro

credit finance banks give out to beneficiaries is satisfactory. The reason might be the excitement of being given loan to start a business of their own. Those that have borrowed more than twice felt the money is too small. This may be because of the level of their business ventures have reached they have the desire for bigger fund to expand their business ventures, dreams, and aspirations. The chi square value of the analysis is

$$(\chi^2 = (N = 450, df = 1) = .261, PC .340.$$

The number of times a respondent has borrowed money also affects the impact the loan makes on their lives. For example, 201 of all the respondents(65.45%) who have borrowed once or twice said that the loan has positive impact on their lives while 162 (44.6%) of all those who have borrowed more than twice said the loan has impacted their lives. Similarly 69 (73.3%) of all those who have accessed the loan once or twice said the loan has not impacted their lives while those who have accessed the loan more than twice were 18 (20.7%) and said that the loan has not impacted their lives. This may be as a result of bigger business ventures and dreams which may require bigger fund than the loan.

[Insert Table 6]

them, the cross tabulation shows that respondents with 0 – 3 children in school 260 (71.6%) said the loan positively impacted their lives while of all respondents with 4 children and above still in school. 103 or (28.4%) said the loan has not positively impacted their lives. The reason for this may as a result of burden of sponsoring the four or more children in school coupled with other sundry expenses on food, housing, health and clothing amongst others may have given their businesses and financial standing a serious beating and a negative impact.

The analysis revealed that age of respondents, their educational status, the number of times they have accessed the loans for business ventures and the number of their children still in school are major determinants of their views, perception and satisfaction of the micro credit scheme and by implication the nature of impact the loan has on them. Experience matters a lot here as evidence by the older respondents and those have accessed the loan more than twice all tend to positively tilt their views in favor of the micro credit scheme. While the burden of caring for large family in school and out of school seems to negatively affect the impact the loan has on their lives

[Insert Figure 1]

The data analyzed shows that the general profiles of the women beneficiaries of micro credit schemes are that the majority of the women are not only poor but they also belong to the lowest stratum and are marginalized members of the less privileged group of illiterates and semi literate members of the society. The women barely manage to survive with their total income of less than one Dollar (1 \$ a day). This is because majority of them are petty traders and the value of their wares/goods is less than fifty thousand naira (50,000Naira) as petty traders and low cadres of civil service who supplement their income with petty trading. The profiles of the women under investigation are;

Poor; illiterates; less privileged but hopeful; marginalized, and are ready to survive doing business with loans from the micro finance institutions.

The results of the cross tabulation and data analysis show that the war against poverty is being impeded by the services of the micro credit institutions. The unfriendly disposition and lack of interest of the micro banks officers are inimical to the business partnership development and the overall growth of small scale business especially as they affect female clients and beneficiaries of the micro credit institutions in the study area.

The beneficiaries also by consensus lamented that negative effects of various socio-economic and cultural obstacles they face daily often override the little gains from these measures put in place by government and NGOs to empower them. Some of these obstacles include repressive and retrogressive double tax system, the so-called economic melt-down, hyper inflation and globalization where the government cannot control the economic processes and unwholesome competitions with multi-national corporations who dictated the pace in socio-economic arena. The findings of this study confirmed those of Almed et al (2001) who noted that despite the success of micro credit, particularly in increasing access to capital for women, it can also affect the emotional wellbeing of woman because it actually creates tension, anxiety and stress among those involved in micro-credit programs. In this study, women beneficiaries also reported experiencing anxiety, stress, trauma and sometimes depression from their inability to make loan repayment - whenever the time comes because of other socio-economic and cultural realities and exigencies that they have to face. For example, some female beneficiaries reported that the incessant strikes, fuel scarcity and other exigencies always affect their psyche because their businesses are always disrupted during these lost man hours but they still have to pay the loan on specified days of the week and the micro finance officials are always ruthless and insensitive to their plights.

Governments and other supervisory agencies should as matter of urgency regulate and monitor the activities of the officers of micro credit institutions so as to ensure good business ethics and the relationships which should exist between the micro finance institutions and the female clients to reduce harsh and uncompromising attitude of the micro credit institutions. The officers of the micro credit institutions should show interest in the business and welfare of clients especially the poor female beneficiaries. This is fair enough and is a sure way of ensuring not only success of the businesses of the clients of micro finance institutions but will go a long way in the development healthy business relationship between the micro finance institutions and their teeming clients.

5. Conclusion

Poverty reduction programs are ventures that are put in place by Governments of nations of the world in line with the Millennium Development Goals of the United Nations Organization. The Federal and State government responses to the war against poverty in the establishment of various programs targeting the poor especially the women are commendable, but a lot still needs to be done in this respect. There is the need on the part of the government to take a holistic approach in dealing with endemic poverty in Nigeria. The activities of the officers of micro credit institutions and the supervisory agencies should do more for the betterment of the lot of female beneficiaries so that the primary goal of poverty reduction will be realized.

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Table 1: General Profile of Loans Beneficiaries in the Study Area.

Age (Years)	No.	%
Below 20	6	1.3
21 – 40	212	47.1
41 – 60	163	36.2
61 +	69	15.3
Total	450	100.0
Marital Status		
Single	64	14.2
Married	277	61.2
Separated	58	12.9
Widowed	50	11.1
Divorced	1	0.2
Total	450	100.0
Level of Education		
None	36	8.0
Primary School Leaving Certificate	164	36.4
Junior Secondary	44	9.8
Senior Secondary/NECO/GCE	107	23.8
National Diploma/NCE	55	12.2
HND/First Degree	42	9.3
Masters/Ph.D	2	0.4
Total	450	100.0
Religion		
Christianity	404	89.8
Islam	33	7.3
Others	12	2.7
No response	1	0.2
Total	450	100.0
Type of Occupation		
Trading/Business	355	78.9
Civil/Public Service	38	8.4
Teaching	29	6.4
Others	28	6.2
Total	450	100.0
No. of Times Loans Accessed		
Once	106	23.6
Twice	140	31.1
More than Twice	204	45.3
Total	450	100.0

Table 2: Problems encountered by clients' of microfinance Institutions;

High Interest rate
Delay in loans disbursement due to several requirements/collaterals.
Amount disbursed is sometimes too little: not enough to finance full-scale business.
The requirement of having to join a union before loans can be sourced.
Difficulties in getting guarantors by would-be beneficiaries.
Attitude of loan officers: majority are not friendly at all.
Recovering deposit after loans repayment is problematic and cumbersome.
Amount deducted upfront from approved loan as insurance (20 per cent) is too high.
Discriminatory attitude on the part of microfinance officials as to who gets loans and who does not: There are claims and counter-claims that the process of determining the selection of loans beneficiaries is not very transparent.

Table 3: Age of respondents by their responses to research questions

Variables		AGE		Total	Level of significant p ^c
		Younger	Older		
Adequacy of interest on loan	Low	178(50.7%)	173(49.3%)	351	.044*
	High	40(40.4%)	59(59.6%)	99	
Adequacy of time of processing loan	Yes	170(48.2%)	183(51.8%)	353	.453
	No	48(49.5%)	49(50.5%)	97	
Discrimination when giving loans to applicants	Yes	50(53.2%)	44(46.8%)	94	.179
	No	168(47.2%)	18(852.8%)	356	
Adequacy of period of repayment of loan	Yes	156(48.3%)	167(51.7%)	323	.502
	No	62(48.8%)	65(51.2%)	127	
Show of interest in respondents' business by MFB	Yes	169(49.4%)	173(50.6%)	342	.267
	No	49(45.4%)	59(54.6%)	108	
Adequacy of amount of loan to applicants	Yes	129(47.6%)	142(52.4%)	271	.365
	No	89(49.7%)	90(50.3%)	179	
Impact of loan on respondents	Yes	166(45.7%)	197(54.3%)	363	.013*
	No	52(59.8%)	35(40.2%)	87	

Table 4: Level of Education of Respondents by their responses to research questions

Variables		Level of Education of Respondents		Total	Level significant P ^c of
		Lower	Higher		
Adequacy of interest on loan	Yes	176(50.1%)	175(49.9%)	351	.001*
	No	68(68.7%)	31(31.3%)	99	
Adequacy of time of processing loan	Yes	198(56.1%)	155(43.9%)	353	.081*
	No	46(47.4%)	51(52.6%)	97	
Discrimination when giving loans to applicants	Yes	40(42.6%)	54(57.4%)	94	.007*
	No	204(57.3%)	152(42.7%)	356	
Adequacy of period of repayment of loan	Yes	179(55.4%)	144(44.6%)	323	.240
	No	65(51.2%)	62(48.8%)	127	
Show of interest in respondents' business by MFB	Yes	186(54.4%)	156(45.6%)	342	.494
	No	58(53.7%)	50(46.3%)	108	
Adequacy of amount of loan to applicants	Yes	149(55.0%)	122(45.0%)	271	.381
	No	95(53.1%)	84(46.9%)	179	
=Impact of loan on respondents	Yes	209(57.6%)	154(42.4%)	363	.003*
	No	35(40.2%)	52(59.8%)	87	

* Significant

Table 5: No. of times Respondents have accessed loans.

Variables		Number of Times Respondents Have Accessed Loan		Total	Level of significant p ^c
		One and twice	More than twice		
Adequacy of interest on loan	Yes	210(59.8%)	141(40.2%)	351	.492
	No	60(60.6%)	39(39.4%)	99	
Adequacy of time of processing loan	Yes	201(56.9%)	152(43.1%)	353	.007*
	No	69(71.1%)	28(28.9%)	97	
Discrimination when giving loans to applicants	Yes	61(64.9%)	33(35.1%)	94	.166
	No	209(58.7%)	147(41.3%)	356	
Adequacy of period of repayment of loan	Yes	185(57.3%)	138(42.7%)	323	.037*
	No	85(66.9%)	42(33.1%)	127	
Show of interest in respondents' business by MFB(Micro Finance Bank)	Yes	200(58.5%)	142(41.5%)	342	.145
	No	70(64.8%)	38(35.2%)	108	
Adequacy of amount of loan to applicants	Yes	160(59.0%)	111(41.0%)	271	.340
	No	110(61.5%)	69(38.5%)	179	
Impact of loan on respondents	Yes	201(55.4%)	162(44.6%)	363	.000*
	No	69(79.3%)	18(20.7%)	87	

* Significant

Table 6: Children in school of Respondents by their responses to research questions

Variables		Number of Children in School		Total	Level of significant p ^c
		0-3	4 and above		
Adequacy of interest on loan	Yes	253(72.1%)	98(27.9%)	351	.277
	No	75(75.8%)	24(24.2%)	99	
Adequacy of time of processing loan	Yes	252(71.4%)	76(78.4%)	353	.107
	No	101(28.6%)	21(21.6%)	97	
Discrimination when giving loans to applicants	Yes	66(70.2%)	28(29.8%)	94	.297
	No	262(73.6%)	94(26.4%)	356	
Adequacy of period of repayment of loan	Yes	225(69.7%)	98(30.3%)	323	.009*
	No	103(81.1%)	24(18.9%)	127	
Show of interest in respondents' business by MFB	Yes	242(70.8%)	100(29.2%)	342	.044*
	No	86(79.6%)	22(20.4%)	108	
Adequacy of amount of loan to applicants	Yes	195(72.0%)	76(28.0%)	271	.331
	No	133(74.3%)	46(25.7%)	179	
Impact of loan on respondents	Yes	260(71.6%)	103(28.4%)	363	.136
	No	68(78.2%)	19(21.8%)	87	

* Significant

Figure 1: Frequency on Dimension