

**Microfinance Institutions, Environmental Factors, and Poverty Alleviation in Oyo State,
Nigeria**

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Certification

This is to certify that this thesis was carried out by **Ibukun Adetoun ABULUDE** with Matriculation number **LCU/PG/001799**, in the Department of Management & Accounting under my thorough supervision in the Faculty of Management and Social Sciences, Lead City University, Ibadan, Nigeria and that this work had not been previously submitted.

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Dedication

This thesis is dedicated to Almighty God.

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Acknowledgement

To God Almighty be praise, glory and adoration for guiding me through the course of study in this noble university, Lead City University, Ibadan. I wish to express my profound gratitude to the management of the Lead City University, Ibadan, Nigeria for the opportunity given me to study and learn under such a wonderful environment. I appreciate the Vice-Chancellor of the University, Professor K.A. Adeyemo, Provost, Postgraduate College, Prof. Oredein, Heads of Departments, Lecturers and other non-academic staff members of the University.

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“Even though the above institutions and persons have assisted in the process of this research work, I alone, stand responsible for the errors, if any, found in this work”.

Abstract

Poverty is a big concern in Nigeria, potentially affecting more than 60% of the population, despite efforts indicated in the MDGs. Microfinance banking holds promise for poverty alleviation, but it has had limited impact in Nigeria. This study attempts to fill knowledge gaps in the impact of regulatory environments, socioeconomic factors, and technology on poverty dynamics in Nigeria. Concentrating on Oyo State, Nigeria. This study used a descriptive survey research design, with a population of 53 microfinance institutions spread across Oyo State's three senatorial zones, and a sample size of 240 clients drawn at random from these institutions. The study used a stratified random sampling technique. Data were collected using a validated questionnaire. Data were analyzed using descriptive and inferential statistics. Findings revealed that microfinance institutions significantly affect poverty alleviation within the context of the Nigerian economic landscape ($R^2=0.061$, $F(1,238)=23.158$, $t= 24.176$ $p= 0.000$). Regulatory environment has positive and significant influences on poverty alleviation ($R^2=0.111$, $F(1,238)=29.632$, $t= 5.443$ $p= 0.000$). Socioeconomic factors has positive and significant impact on poverty alleviation ($R^2=0.979$, $F(1,238)=519.861$, $p= 0.000$). Technology & Innovation has a positive and significant effect on poverty mitigation ($r = 0.817$, $p = 0.000$). The study also identifies socioeconomic factors such as access to education, income inequality, healthcare, and social welfare programs as critical determinants of poverty reduction. Additionally, it highlights the transformative potential of technology adoption, particularly in digital financial services, to enhance financial inclusion and poverty alleviation efforts. Recommendations include prioritizing regulatory reforms, investing in capacity building for MFIs, intensifying efforts to promote financial inclusion, diversifying product offerings, embracing technological innovations, and establishing robust monitoring and evaluation mechanisms. These findings contribute empirically to the discourse on poverty alleviation and the role of MFIs in Nigeria, offering valuable insights for policymakers, practitioners, researchers, and scholars alike.

Keywords: Poverty Mitigation, Microfinance Institutions, Banks, Regulatory Environment, Socioeconomic Factors, Technological Innovation

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Chapter One

Introduction

1.1 Background to the Study

As Africa's most populous country, Nigeria grapples with substantial economic inequalities and a notable poverty rate. Despite its rich endowment of natural resources, a significant portion of the population faces challenges such as poverty, unemployment, and limited access to financial services. In addressing these issues, the roles of microfinance institutions (MFIs) have garnered attention, given their significance in providing financial inclusion and support to vulnerable demographics.

MFIs have emerged as pivotal players in global poverty alleviation efforts, focusing on extending financial services to the unbanked and underprivileged sectors. In Nigeria, where a significant portion of the population lacks access to formal banking services, MFIs play a crucial role in providing microcredit, savings, and insurance products tailored to the needs of low-income individuals and small businesses. By facilitating access to financial resources, these institutions aim to empower individuals to initiate or expand small enterprises, improve their livelihoods, and uplift themselves from poverty¹.

However, the impact of MFIs on poverty alleviation is subject to various factors, including regulatory frameworks, operational efficiency, and the socio-economic context. Moreover, compared to traditional banks, which possess broader infrastructure and customer bases, the reach and scale of MFIs may be limited². Therefore, comprehending the relative effectiveness of MFIs in addressing poverty is essential for crafting evidence-based policies and interventions to tackle socio-economic disparities in Nigeria.

In recent years, Nigeria has witnessed an expansion of banking services, with both traditional banks and MFIs striving to extend their impact. MFIs, especially, have emerged as key

providers of financial services to the unbanked and underbanked populations, offering microloans, savings accounts, and other tailored financial products. Despite these efforts, the effectiveness of banks in mitigating poverty remains a subject of debate, necessitating careful examination of their interventions' impact on poverty levels⁴.

Moreover, Nigeria's economic landscape is characterized by socio-economic challenges such as high unemployment rates, income inequality, inadequate infrastructure, and weak regulatory frameworks. These factors significantly influence banks' ability to address poverty and promote inclusive growth effectively⁵.

While conventional banks have traditionally focused on serving larger businesses and wealthier individuals, recent years have seen many banks recognizing the importance of inclusive finance. Initiatives such as the establishment of microfinance departments, partnerships with MFIs, and the development of innovative financial products tailored to low-income customers have been introduced. However, challenges such as collateral requirements and limited reach to rural areas persist, hindering the full potential of financial inclusion⁶.

The financial sector can be a catalyst in the eradication or at least reduction of poverty through enhanced financial services for the poor in developing countries⁷. For sustainable economic growth, a complete package of economic activities should be introduced covering, for instance, small and medium enterprises (SMEs) and micro-finance banks, because small and medium enterprises can play a role in economic development, creating goods, innovation, and employment. On the other hand, enterprises need to have access to financial services to be sustainable⁸.

Conventional banks lend to clients who have collateral; the poor have no valuable assets to offer as collateral, so mainstream banks seldom take the risk and usually ignore the application. In any case, the mainstream banks normally operate in urban areas, whereas most

poor live in rural areas, so the underprivileged are not facilitated. Microfinance Institutes (MFIs) aim to bridge the gap in remote areas, but studies show that MFIs offer financial facilities only to a very small fraction of the projected demand of the poor. Moreover, it has been shown that these programs can improve the confidence and self-respect of borrowers. Nevertheless, microfinance is not a magic potion. Even the most innovative and participative programs can have undesirable negative impacts⁹. One obvious impact as shown by earlier studies of microfinance is increased income levels, but more recent studies reveal that the impact can vary per income group. The wealthier segments benefit most from microcredit programs, as they have higher skill levels, good references, and higher initial resource bases. Low-income earners are more vulnerable, and so benefit more from micro savings and micro insurance^{8,9}.

Nonetheless, steps taken more recently by the government and other agencies providing access to financial services to underprivileged sectors show positive effects. However, more still needs to be done; for instance, there needs to be a conducive economic environment created, a legal and regulatory framework is supposed to be in place, and the most urgent current need is an improvement of financial intermediates in both rural and urban regions. It is essential to establish a well-functional financial institute to support a favorable business environment for sustainable economic growth¹⁰.

Various initiatives have been launched such as regulations in support of technological and institutional innovations, up-scaling and growth; improved industry infrastructure, and setting up credit enhancement facilities. The new framework emphasizes inclusive financial services to make stronger fundamentals by developing proper infrastructures needed for long-term growth¹¹. A strategic framework, with the core objective of developing a growth-led and sound institution, would mainly focus on expanding outreach; promotion of branchless banking and alternative delivery channels; deposit mobilization; scaling-up of

micro-enterprise development; improvement of governance; enhancement of human and institutional capacities; consumer protection and financial literacy; and MFI regulatory mechanisms^{12,13}.

MF is an effective development tool because it empowers clients better than charity. Normally, MF recipients are self-employed entrepreneurs who, because they lack capital, are unable to invest in the business so cannot emerge from intense poverty¹⁴.

One remarkable MF characteristic is convenience. MFIs hire Local Credit Officers (LCOs) who visit every village and each house to collect or pay out funds. Most times an LCO will hold a group meeting to address various activities, enabling them to share views, offer suggestions, and give feedback¹⁵.

Since commercial banks require a guarantee for loans while poor people are not able to provide the same therefore this segment cannot avail of loan facilities from conventional banks. Apart from this reason there are many other reasons why these banks are not willing to facilitate poor i.e lack of experience/training of poor, high cost on the process of small loans illiteracy of poor and low-profit margin. This situation raised the reason and idea of microcredit. Those have no guarantee or any assets to present as a guarantee, for them, microfinance is a way to access finance to run businesses, alleviate their poverty level, and sustainably get social benefits.

MF has become a lasting approach for the economic development of the poor. The ADB defines it as “the extension of comprehensive financial services such as loans, money transfers, payment services, deposits, and insurance to poor and low-income earning households and their microenterprises.” It further implies that MF purveys financial facilities sustainably to improve the lives of the poor¹⁶. Since the inception of MF, many hypotheses have been developed on market coverage and poverty-related issues.

1.2 Statement of the Problem

The issue of poverty is not unique to Nigeria; it is a global challenge, as evidenced by its inclusion as one of the Millennium Development Goals. Despite evidence indicating that individuals living in poverty are creditworthy and willing to engage in financial transactions, the introduction of microfinance banking in Nigeria in 1988, with the establishment of the People's Bank, aimed to provide financial services to this demographic. While this banking concept has contributed to poverty reduction in some developed and developing economies, its impact in Nigeria has been limited despite more than a decade of operation¹⁷.

Recent data on poverty in Nigeria, as of 2023, continues to paint a concerning picture. Despite efforts to combat poverty, the situation remains dire. According to updated statistics, the percentage of Nigerians living below the poverty line has persisted at alarming levels. As of 2023, it is estimated that a significant portion of the population, potentially exceeding 60%, continues to struggle with poverty¹⁸.

The persistence of poverty in Nigeria underscores the ongoing challenges faced by policymakers and stakeholders in addressing this issue effectively. Despite various poverty alleviation programs and initiatives, including the implementation of economic empowerment strategies, the impact on poverty reduction has been limited.

Furthermore, factors such as economic instability, inadequate access to basic services, and persistent unemployment contribute to the perpetuation of poverty in Nigeria. The COVID-19 pandemic has also exacerbated these challenges, leading to further economic hardship for many Nigerians⁶.

While numerous studies have explored aspects of poverty alleviation in Nigeria, there remains a gap in comprehensive understanding regarding the specific influence of the regulatory environment, socioeconomic factors, and the role of technology and innovation in shaping poverty dynamics. Hence this research aims to provide insights that can inform policy formulation and implementation strategies geared towards more effective poverty alleviation measures in Nigeria.

1.3 Aim and Objectives of the Study

This research aims to explore the relationship between microfinance institutions, environmental factors, and poverty alleviation, focusing on the current economic situation in Nigeria. The objectives were to:

- i. examine the influence of the regulatory environment on poverty alleviation within Nigeria.
- ii. explore the effect of socioeconomic factors on poverty alleviation within the Nigerian context.
- iii. investigate the relationship between technology & innovation and poverty alleviation in Nigeria.
- iv. examine the impact of microfinance institutions on poverty alleviation within the context of the Nigerian economic landscape.

1.4 Research Questions

This study is guided by the following research questions:

1. how does the regulatory environment influence poverty alleviation within Nigeria?

2. what is the effect of socioeconomic factors on poverty alleviation within the Nigerian context?
3. how is the relationship between technology & innovation related to poverty alleviation in Nigeria?
4. what is the impact of microfinance institutions on poverty alleviation within the context of the Nigerian economic landscape?

1.5 Hypotheses

The following null hypotheses will be tested in this study:

- H₀1: Regulatory environment has no significant influence on poverty alleviation within Nigeria
- H₀2: Socioeconomic factors have no significant effect on poverty alleviation within the Nigerian context
- H₀3: Technology & innovation has no significant relationship on poverty alleviation in Nigeria
- H₀4: Microfinance institutions have no significant effect on poverty alleviation within the context of the Nigerian economic landscape.

1.6 Significant of the Study

Poverty remains a significant challenge in Nigeria, affecting a large portion of the population. Understanding the roles of microfinance institutions (MFIs) in alleviating poverty is crucial for developing effective strategies to combat this issue. This study's findings can inform policymakers, government agencies, and microcredit institutions about the effectiveness of current poverty alleviation programs and initiatives. By identifying the strengths and

limitations of MFIs in addressing poverty, policymakers can devise more targeted and impactful interventions.

The study's findings can also benefit practitioners and organizations involved in poverty alleviation efforts. By understanding the factors influencing the effectiveness of MFIs, practitioners can refine their approaches and develop more tailored solutions to address the specific needs of vulnerable populations.

Also, understanding the role of digital financial services and technology adoption in microcredit programs can contribute to efforts to enhance financial inclusion, particularly for marginalized populations. This study can also contribute to the existing body of knowledge on poverty alleviation in Nigeria. By conducting a contemporary analysis of the economic landscape and examining the roles of MFIs, the study provides valuable insights that can enrich academic literature and guide future research endeavors.

1.7 Scope of the Study

The scope of this study is focused on exploring the relationship between microfinance institutions (MFIs), environmental factors, and poverty alleviation within Oyo State, Nigeria. The research specifically targets how MFIs contribute to poverty alleviation among their customers in this region, as well as the impact of external factors like regulatory frameworks and socio-economic conditions on this process. The study is geographically centered in Oyo State, chosen for its socio-economic diversity and the active presence of microfinance institutions. This context allows for a meaningful examination of how MFIs interact with local communities and contribute to economic empowerment. The population of interest is composed of customers of these microfinance institutions in Oyo State. By focusing on individuals who engage directly with MFIs, the study aims to gain insights into the benefits

and challenges experienced by those utilizing microfinance services to improve their financial situations.

Key variables are central to this study, including the regulatory environment, socio-economic factors, and the role of technology and innovation. The regulatory environment examines how policies and regulations affect MFI operations and their ability to serve low-income populations effectively. Socio-economic factors, such as income levels, employment status, and access to essential services, are analyzed to understand how these conditions influence the success of MFIs in poverty alleviation. Additionally, the study considers the impact of digital finance and technological advancements, like mobile banking, which play a growing role in extending MFI services and enhancing financial inclusion.

In terms of poverty alleviation, the study investigates whether MFI services—such as microloans, savings products, and financial education programs—have a tangible impact on the economic well-being of individuals and small businesses in Oyo State. The aim is to determine the extent to which these financial services can empower people to improve their livelihoods and contribute to poverty reduction in the region.

While the focus is on Oyo State rather than the entirety of Nigeria, the insights gained from this study are expected to be relevant to similar regions across the country. Through this focused approach, the research seeks to add to the broader discourse on poverty alleviation and financial inclusion, especially within the context of Nigerian microfinance operations.

1.8 Limitation of the Study

This study provides a comprehensive analysis of the role of microfinance institutions in alleviating poverty within the Nigerian economic landscape, several limitations are acknowledged. There are cautions to this study that need to be recognized to open opportunities for new research. More specifically, the scope of this research is restricted to

randomly selected microfinance institutions in Oyo State across the three senatorial zones in Oyo State, Nigeria. Despite this limitation, the study is nonetheless valid because it aimed to explore the involvement of microfinance institutions, environmental factors, and poverty alleviation, focusing on the current economic situation in Nigeria, requiring a one-time cross-sectional data; hence, playing to the strength of the research design. The questionnaire employed has some limitations as the instrument of data collection. The low response rate, the fact that some people filled out the questionnaire without reading it, and the presumption that the data they provided would be utilized negatively are all weaknesses. The researcher made sure that the questionnaire items were written in clear, unambiguous English to combat these issues and boost response rates. The researcher also ensures the respondents' anonymity and confidentiality, and obtains approval from respective human resource managers of the microfinance institutions and banks to conduct the study, all of which increased the researcher's accessibility to the respondents. Finally, the statistical assumptions, sample size requirements, and other issues related to inferential statistics were major concerns for testing study hypotheses. However, these obstacles were overcome by adapting the data treatments and increasing the sample size of the study. Despite these limitations, this research does present important conceptual, empirical, theoretical, and practical implications for microfinance institutions, environmental factors, and poverty alleviation in Oyo State, Nigeria.

1.9 Operational Definition of Terms

Education Attainment: This refers to the level of educational achievement or qualifications attained by individuals, typically measured by the highest level of formal education completed, such as primary school, secondary school, vocational training, college, or university degrees.

Environment Factors: This refers to external elements that may influence or impact the operations, effectiveness, and outcomes of microfinance initiatives in alleviating poverty within the Nigerian economic landscape.

Healthcare Access: This refers to the ability of individuals and communities to obtain timely and affordable healthcare services when needed.

Microfinance Institutions: These are specialized financial institutions set up to provide loans to poor people and low-income earners for micro business.

Microfinance: Microfinance is defined as the process whereby small loans and credits including other financial products are especially provided to the poor people in the society to enable them to engage in micro business/enterprises and other profitable ventures.

Mitigating Poverty: This refers to the actions or interventions aimed at reducing or alleviating poverty by improving the economic well-being and livelihoods of individuals or communities.

Poverty: A condition of acute deprivation preventing a person from living a life of adequate well-being.

Regulatory Environment: This refers to the set of laws, regulations, policies, and procedures established by government authorities to oversee and govern the operations of financial institutions, including microfinance institutions and banks.

Socioeconomic Factors: These are the social and economic conditions and characteristics that influence individuals' and communities' well-being, opportunities, and outcomes.

Technology & Innovation: This refers to the adoption and application of new technologies, digital tools, and innovative approaches within the financial sector to enhance the delivery of financial services, improve efficiency, expand outreach, and promote financial inclusion.

Income Levels: This refers to the amount of money or earnings received by individuals, households, or businesses over a specific period, typically measured in terms of wages, salaries, profits, or other sources of income.

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Chapter Two

Literature Review

This chapter reviews relevant literature which also provides a detailed explanation of the concepts used in this study, as well as theories and the empirical findings of past research works. This will be done under the following subheadings including conceptual review, theoretical review, empirical review, conceptual framework, and summary of gaps in literature.

2.1 Conceptual Review

2.1.1 Microfinance

The word "micro" literally means small and finance also means investment or support; therefore, microfinance can be defined literally as small investment or support. Microfinance can be defined as the practice of offering small, collateral-free loans to members of co-operatives who otherwise would not have access to the capital necessary to begin small business or other income-generating activities¹.

Microfinance refers to the provision of financial services: loans, savings, insurance, or transfer services to low-income households". A scholar further describes microfinance as small loans, savings mobilization, and training offered to the poor to enable them to create self-employment by starting their businesses and thus generating income. Basic business skill training should accompany the provision of micro-loans to improve the capacity of the poor to use funds. Commercial banks overlook the financial services that microfinance offers to the underprivileged, such as loan facilities, savings chances, money transfers, and insurance for health and company assets. Microfinance helps the poor to smooth the working of their business and make their investments. According to James Roth, Micro-finance supports

people especially women to move out of poverty as it rewards productive capital to the poor who have been omitted from the formal banking sector. It was confirmed that micro-finance is a powerful tool of self-empowerment to the poor at the world level particularly women in developing countries. In a study, a researcher asserts that as far as gender equality is concerned, micro-finance is an effective tool that promotes women and youth empowerment^{1,2}.

Microfinance connotes the provision of financial services to the poor and people at the lower strata of the society who are traditionally not served by the conventional financial institutions especially the commercial banks. Microfinance institutions are defined as institutions whose major business is the provision of microfinance services³. Microfinance institutions were established to enhance the flow of financial services to the millions of the country's populations in rural areas and the urban poor who are traditionally overlooked and underserved by conventional banks. In the past, the FGN had initiated a series of publicly funded micro/rural credit programmes targeted at the poor. Some of such notable programmes include: the Rural Banking Programme in 1977, the Sectoral Allocation of Credits with a concessionary interest rate in the early 1980s, and the Agricultural Credit Guarantee Scheme of the CBN. Other institutional arrangements were the establishment of the Nigerian Agricultural and Cooperative Bank Limited (NACB), the National Directorate of Employment, the Nigerian Agricultural Insurance Corporation, the Peoples Bank of Nigeria (PBN), the Community Banks and the Family Economic Advancement Programme (FEAP)³. All these initiatives and programmes achieved limited success in channelling credit to the rural populace to enhance their means of livelihood⁴.

In 2000, the FGN merged the NACB with the PBN (and FEAP to form the Nigerian Agricultural Cooperative and Rural Development Bank Limited) to enhance the provision of

finance to the agricultural sector. The federal government also created the National Poverty Eradication Programme with broad mandate of eradicating poverty through provision of credit and employment opportunities. The interest in the provision of microcredit has burgeoned in the last three decades in Nigeria. In recent times, multilateral lending agencies, bilateral donor agencies, developing and developed countries and non-governmental organisations all support the development of microfinance services⁵. In consequence, microfinance has grown rapidly during the last two decades from an initial low enthusiasm to occupying the front seat in development discourse on poverty reduction and poverty alleviation.

2.1.1.1 Rationale for Microfinance in Nigeria

In Nigeria, the formal financial institutions provide services to about 35% of the economically active population, while the remaining 65% are excluded from access to formal financial services (Enhancing Financial Innovation and Access⁶. This 65% of the population are often served by the informal financial sector, through microfinance institutions, money lenders, friends, relatives and credit associations including age grade and town union associations. The traditional microfinance institutions provide access to credit for the rural and urban low-income earners. They are mainly of the informal groups like rotating credit schemes^{7,8}. Other providers of microfinance include savings collections and cooperative societies. The informal financial institutions generally have limited outreach due largely to scarcity of loanable funds.

The CBN articulated the rationale for the establishment of microfinance institutions in Nigeria⁷. According to the apex body, providing efficient microfinance services for rural dwellers and urban poor is important for a variety of reasons. These mainly include: improved access to and efficient provisions of savings, credit and insurance facilities, in

particular, can enable the poor to smoothen their consumption, manage their risks better, build assets gradually, develop micro enterprises, enhance their income-earning capacity and enjoy an improved quality of life; the improvement of resource allocation, promotion of markets and adoption of better technology to promote economic growth and development, especially at the rural areas; permanent access to institutional microfinance by the poor households so that they can actively participate in and benefit from development opportunities; providing an effective way to assist and empower the poor women, who make up a significant proportion of the poor and suffer disproportionately from poverty; and contributing to the development of the overall financial system through integration of financial markets⁷.

2.1.1.2 Role of Microfinance on Poverty Alleviation

Globally, efforts to reduce poverty have been made using microfinance programs that assist the underprivileged in saving money and investing it in ventures that create jobs. The definition of poverty, methods of measuring it, and the identity of the impoverished are hotly debated topics. In the discourse on poverty, the debate is whether the majority of the impoverishment is caused by material demands or by a much wider range of requirements that enable well-being. Many different and intricate factors contribute to poverty. To start, the impoverished are often denied access to basic resources, but they also frequently lack knowledge that could improve their lot in life, such as information about health, the structure and services of public institutions, information about their rights, and information about market prices for the goods they produce. They also lack political influence and a voice in the institutions and power dynamics that shape their communities. They don't have access to or knowledge of opportunities for generating money, etc⁹.

The majority of the poor in developing countries especially women lack access to the basic financial services which are essential for them to manage their lives. The poor are excluded from the opportunities of financial services only the informal alternatives that are considered unsuitable left to them. Microfinance is therefore considered as a vital tool to break the vicious circle of poverty which is characterized by low incomes, low savings and low investment. Most institutions regard low-income households as “too poor to save”. In order to generate higher incomes, high savings and more investments, Capital is only one ingredient in the mix of factors necessary for a successful enterprise. Most importantly it requires: entrepreneurial skills and efficient markets to reduce poverty. The real idea of microfinance is to help the weakest members of civil society who in this case is the poor. A rural micro-entrepreneur may need access to one or more of the following: transport, communications, power, water, storage facilities, a legal system for enforcing contracts and settling disputes¹¹.

Apart from infrastructure, micro entrepreneurs need access to information about market trends and skills to run their macro enterprises. It was argued that hard work, skills and enthusiasm are essential ingredients for an enterprise to be successful. A study calls for differentiation between two categories of the poor, some are able to increase their income by themselves, create business activities that would enable them to move above the poverty line. Those in the second category are unable to do so and would need permanent financial support from microfinance. The latter category would include the poor who have no capacity to undertake any economic activity, either because they lack personal skills or because they are so destitute that they are in no position to develop any meaningful economic activity in the environment in which they live. Those in the first category are described as the “entrepreneurial poor”. The entrepreneurial poor do not need assistance for themselves, but they do need help in setting up an activity that will eventually increase their income. In particular they need assistance in accessing the resources to develop this activity, and to some

extent managerial assistance. The non-entrepreneurial poor require direct and continuous assistance to survive. The transfer of resources in terms of credit does not only give the poor access to resources but also the economic empowerment and increased self-reliance^{12,13}.

It is maintained that the key to escaping poverty for the poor is to boost economic growth, improve the efficiency of markets for them, and increase their potential. The entire setting of the impoverished people's life and the economic activities that don't generate enough surplus to improve their standard of living need to be changed. While some opponents contend that in certain places the infrastructure required for microfinance to spur economic growth has been put in place, very little success has been shown, which complicates the issue of poverty and the impoverished. While increased access to capital and other financial services is important for the impoverished, microfinance is in fact not a magic bullet for the problem of poverty. The problem is that market failures weaken the effectiveness of microfinance, this is because if the market is not efficient then it will not enable the producers to sell their goods and services and therefore they will be unable to make enough revenue to reinvest back to business at the same time be able to pay back their loans in time and this will lead to depression thus creating unemployment, but efficient market operations^{10,15}.

2.1.1.3 Micro-credit

It is a part of microfinance and refers to giving small loans to the underprivileged, particularly women and young people in general who are too impoverished to be eligible for loans from commercial banks, particularly in developing nations. Through microcredit, any impoverished individual can participate in profitable self-employment ventures, raising their own and their family's standard of living. The effects of microcredit are hotly debated; proponents claim that by raising wages and creating jobs, among other things, microcredit lowers poverty. It is believed that this will result in better diet and educational attainment for

the borrowers and their offspring. Some believe that women and those with low incomes are empowered by microcredit. The available evidence indicates that in many cases microcredit has facilitated the creation and the growth of businesses by often generating self-employment¹⁶.

In response to the pandemic's economic fallout, microcredit institutions worldwide adapted their approaches. These adaptations included: (a) Loan Rescheduling: Many microcredit providers allowed borrowers to defer loan repayments, easing their financial burden during lockdowns; (b) Emergency Loans: Some institutions offered emergency loans to help clients meet basic needs, such as food, rent, or healthcare; (c) Digital Transformation: The pandemic accelerated the digitalization of microcredit, enabling remote loan applications, disbursements, and repayments; (d) Financial Literacy and Health Awareness: Microcredit organizations focused on educating clients about COVID-19 and financial management during the crisis¹⁷.

2.1.1.3.1 Microcredit Objectives in Nigeria

Microcredit policy in Nigeria is geared towards achieving specific objectives which are: ensuring that the economically active poor are provided with timely, affordable, and dependable financial services; enhancing the standard of living of the active poor in the country by creating employment opportunity for them and increasing their productivity as well as their household income; fostering synergy and absorbing the informal microfinance sub-sector into the conventional financial system; enhancing services delivery to micro, small and medium enterprises; encouraging savings mobilisation for intermediation and rural transformation; establishing linkage programmes between microfinance institution, deposit money banks, development finance institutions and specialized funding institutions; provision of reliable ways for the administration of government's microcredit programmes alongside

that of high net worth individual on a non-recourse basis; and establishing a platform where microfinance service providers can interact, exchange ideas and share experiences¹⁸.

In line with the objectives highlighted above, the microcredit policy targets are to ensure that access to financial services of the poor but economically active is increased by 10 per cent annually; raise ratio of microcredit as percentage of total credit to the economy from 0.9% in 2005 to not less than 20% in 2020; and share of microcredit as percentage of gross domestic product from 0.2% in 2005 to not less than 5% in 2020; ensure that all states, the federal capital territory and at least two-third of all the Local Governments Areas participate in microfinance activities by 2015; and eliminate gender disparity by making sure that women's access to financial services is increased from the required minimum of 10% to 15% annually¹⁹.

The effect of the above policy measures and targets are subject of scholarly discourse among researchers, organizations and the academia. While highlighting poverty in numbers, however, a scholar maintained that a large number of families in Nigeria are clustered quite close to the poverty line, indicative of vulnerability. An estimated 60 per cent of the population lives below 140 per cent of the poverty line, which is close to US\$ 2 dollars a day (purchasing power parity corrected)²⁰. Analysis reveals that poverty reduction in Nigeria is primarily an urban phenomenon. Though new estimates present what appears to be a more optimistic picture of poverty and its reduction in Nigeria, a majority of the population remains vulnerable to poverty²¹. Rural poverty (44.9%) is a lot higher than urban poverty (12.6%), while the rate of poverty reduction is much slower. Relatively, high rate of poverty in rural areas explains that increasing agricultural productivity could have significant implications for poverty reduction. The new rebased GDP (US\$ 509 billion in 2013) and

poverty numbers confirm the prime importance of urban growth in jobs creation and poverty reduction in Nigeria²¹.

2.1.1.3.2 Efforts at Micro-Credit Delivery to the Poor

Nigerian Government Efforts and Problems

By the understanding of the level of poverty in Nigeria, the Government attempted several micro-credit programs to alleviate poverty programs/projects such as Agricultural Development programs (ADPs), National Directorate of Employment (NDE), Better Life for Rural Dwellers (Later named Family Support Programs), the Directorate of Food, Roads and Rural Infrastructure (DFRRI) were pursued during 1986 to 1999. Other institutions that have also attempted purveying micro-credit were the rural banking scheme (1977-1990), People's Bank (1987-1990); community bank (1990 to date). In addition, the Central Bank of Nigeria's Agricultural Credit Guarantee Scheme came into existence in 1977²².

Although all the programs were directed at improving the productive base for sustainable growth, most of the efforts at purveying microcredit to alleviate poverty were largely irrelevant, urban structured from the standpoint of the realities of (who is poor?)-understanding the poor. The programs in terms of resource endowment were dominated by the government who gave paternalistic subventions in trickles. The way the programs had functioned over the years was such that credit system was essentially directed at meeting the needs of elites whereas the program is largely for small peasant poor groups²³. The semi-bank agencies in the system, some of which were created precisely to redress the weaknesses of the existing system were saddled with myriads of problems especially inadequate funding as well as lack of appropriate skills to mobilize/identify the poor, and cannot therefore sustainably provide the essential remedy²³.

The most serious problem in the agencies set to provide credit (NACB, etc) was the fact that they lacked adequate professional staff. CBN credit study shared that some 64% of personnel of NACB were the administrative staff. The lending procedure was tortuous, with extremely demanding forms for completion by uniformed and illiterate farmers and the target group who are seeking relatively small loans²⁴.

Bilateral/Multilateral Institutions Efforts

Since most developing economies are hampered by debt, the World Bank Group and the International Monetary Fund's efforts to help nations understand their economic poverty situation, assess the level of poverty, and decide how to lower it have generally been quite successful. Nigeria has been able to resume talks with its creditors and renegotiate its debt at the Pairs Club Group of creditors with very accommodative concessions thanks to it²⁵.

Under the improved Heavily Indebted Poor Countries (HIPC) effort, the World Bank and the IMF decided in 1999 that all of their concessional lending and debt relief should be based on nationally-owned participatory initiatives for reducing poverty. This method expands on the ideas presented in the extensive development papers on poverty reduction strategies submitted by national authorities to the Bank and fund boards²⁶.

The following fundamental ideas guide the formulation and application of policies aimed at reducing poverty: national in nature, with extensive involvement from the commercial sector and civil society in all phases of operation; result-oriented and centered on outcomes that will help the underprivileged; thorough in acknowledging the multifaceted character of poverty, but also given top priority to ensure practical execution in terms of resources and structures; centered on partnerships and entails the coordinated involvement of non-governmental, bilateral, and multilateral development partners²⁶.

The World Bank did not develop a plan for developing a nation's strategy for reducing poverty since it was based on a long-term view of the issue. Instead, they set up important procedures that ought to take into account the unique conditions and traits of each nation. Create a thorough understanding of poverty and its causes, starting with knowledge of the impoverished's demographics, places of residence, and primary obstacles to escaping it, in order to design a program that will effectively reduce poverty. Additionally, the multifaceted nature of poverty (low income, poor health and education, gender, insecurity, helplessness, etc.) must be carefully taken into account when selecting the combination of public activities that will have the biggest effects on reducing poverty. Selecting and prioritizing macroeconomic structural and social policies based on their anticipated impact on reaching a nation's poverty targets is made possible by having a firm understanding of the causes and nature of poverty. It also enables the selection and tracking of outcome indicators using the appropriate framework to show progress toward a chosen poverty outcome, evaluate the effectiveness of policies and programs, and make necessary adjustments²⁷.

Micro-Finance Model for Nigerian Poverty Alleviation Strategy

Starting from the conceptual dimension of transfers of wealth and transfers through government fiscal operation, one will want to agree that in the current dispensation, the country can afford realistically to adopt a model of transfer from the rich through the government fiscal operation and from the government through deliberate fiscal allocation to the poor to implement a program that will alleviate poverty. Nigeria needs to implement an advanced microfinance framework²⁷. The program needs to be designed to support all of the demands of the participating groups. The credit must support social/welfare (health, education, etc.), production (economic activity), and consumption (hunger), etc.

The program must be such that can serve as seed capital to provide funds for the development of promising ideas or products including the development of prototypes. There are many school leavers with promising ideas and many handicraft workers who need only small seed capital to move out of poverty²⁷.

The program needs to be able to support the development of ideas and products, as well as commercial production and marketing, in order to finance start-ups. It ought to be accessible to finance the growth of profitable businesses so that their owners don't have to return to poverty. Services need to guarantee the following: Microenterprises and working capital loans are the main focus of operations, which are primarily concentrated in rural areas. When it comes to funding, the majority of micro-entrepreneurs need working capital loans that don't have any restrictions on how they can be utilized and accept guarantees commensurate with their ability, like peer pressure or personal guarantees²⁸.

On the other hand, using the findings of the poverty assessment to establish financial priorities would be highly instructive when putting the plan into practice through the new organization. Find high-poverty zones first, then combine them into cohesive units. Choose the transfer programs you wish to use in the second place. Grain vouchers and other such items, for instance, might be used as collateral to get microcredit, which could lessen poverty. These areas would create prototype programs that could be repeated in other areas, complete with the necessary oversight, observation, and assessment teams. More important, given the current implementation of universal banking, is the requirement that financial regulatory bodies be included in the team for effectiveness and completeness^{28,29}.

Principles for Effective Micro-finance Institutions

The experience of micro-finance lending in Nigeria had not been quite successful from the formal model approach. Inadequate information will preclude making a categorical statement

of the success of the informal model. However, most poor groups seem to appreciate informal lending. So that the proposed model where we have linked institutions to purvey credit works successfully, the following principles should be considered to avoid the pitfalls of the past institutions: simplify services; and make the credit program customer-friendly. Use a simple application process (often not exceeding one page) appropriate to low levels of literacy and numeracy and streamline operations to minimize staff time per loan, offer small start-up loans: start with very small loans appropriate for meeting day-to-day financial requirements of micro-enterprises and motivate repayment by offering larger loans as incentives for repeat customers; offer short term loans; offer initial loans of three to six months with frequent repayment periods; localize services, focus on scale; Locate close to entrepreneurs (in small scale industrial estates, villages etc). Choose employees from the neighborhood, even those with less education and income, as opposed to those employed by official banks. To cut transaction costs, find a location where a critical mass of clients exists. Microfinance programs attain sustainability by extending significant amounts of credit, reducing processing times, and capping the amount of time between loan applications and payments. Speed is advantageous for borrowers and reduces administrative expenses for lending institutions, as working capital accounts for the majority of microloans. Decentralizing loan approval and using solidarity groups to screen applicants can also reduce turnaround times³⁰.

Motivate Repayment: Motivate repayment via group solidarity and joint liability. Group lending is efficient because it externalizes costs. Character-based lending to individuals (as opposed to groups) can be effective where the social structure is cohesive and there is little potential for political abuse; Recognize that the poor do save: Credit programs are more sustainable when they are financed with personal savings. Savings are often half of informal finance. However, accepting deposits is labor-intensive and therefore quite costly. Moreover, unstable programs can rob the poor of their savings. Great care must be taken when an

institution accepts fiduciary responsibilities; Charge full-cost interest rates (factoring in inflation, loan losses and delinquency, and the cost of loan funds). The administrative costs of lending to the poor require interest rates that are substantially higher than rates charged by commercial banks. Micro entrepreneurs have shown a willingness to pay high rates for services that meet their needs³⁰.

2.1.2 Microfinance and Microcredit

Microcredit emerged as a result of a paradigm change in development thought. Following TW countries' political independence in the postwar period, Western concerns in international development emerged. To help better the social and economic conditions of the former colonies, national and international bodies were established to transfer Western finances and materials²². This policy is popularly known as the 'top– down' approach to development, because the TW governments that received international aid and loans were primarily responsible for how they were used. Unfortunately, these international aid programmes were largely unsuccessful. The failure was attributed to the lack of participation by the intended beneficiaries of development projects in the process of designing, formulating, and implementing these projects²³. Thus, the 'top– down' approach was gradually substituted by the still popular 'bottom– up' approach, which views participation and participatory methods of interaction as essential dimensions of development. The World Bank supported the idea in 1973, when a scholar informed his audience that no program would benefit small farmers if it was planned by those who had no awareness of the farmers' concerns and implemented by those who had little interest in their future. Eventually, the 'bottom-up' approach, or 'participation and participatory methods', began to dominate policy of bilateral and multilateral organizations²⁴.

The new policy regime accorded greater roles to NGOs in the distribution of international aid earmarked for poverty alleviation. NGOs are characterised by their independence of government, their non-profit status, and their motivation to serve humanitarian, social, or cultural interests²⁵. In terms of functions, they (i) provide goods and services not usually supplied by the state or the private sector; (ii) help the government to achieve its development objectives by providing public information, education, communications campaigns, etc.; and (iii) organise citizens to voice their aspirations, concerns, and alternatives for consideration by policy makers²⁶. Grameen-type credit programmes meet these conditions. These programmes generally provide small loans of about US\$ 100, primarily to poor rural women, who have little access to conventional banking facilities. The loans are given for the purpose of supporting income- generating activities in the informal economy, often through self-employment. Rather than providing collateral, borrowers must make regular savings as a precondition for getting such loans²⁷.

Micro-credit organisations are generally NGOs, and so are not motivated by the wish to make profit. They differ from charitable bodies because, rather than assuming that poverty is the result of personal failings on the part of the poor, micro-credit NGOs believe that poverty is created through social processes that deprive the poor of their rightful access to social resources, including credit. Indeed, some micro-credit advocates treat credit as a kind of human right, and believe that they can inspire social and economic revolution through organising the poor under the banner of the Grameen-type micro-credit organisations²⁸. The tremendous success of micro-credit programmes in reaching poor women in rural areas, coupled with exceptionally high rates of loan recovery, soon attracted the attention of the international donor community. For instance, the 1997 Microcredit Summit was attended by 2900 delegates from 137 countries, representing 1500 organisations from all over the globe²⁹.

This popularity inspired academic interest in the topic, leading to the coinage of the term micro-finance in the late 1990s.

Micro-finance is defined as a development approach that provides financial as well as social intermediation³⁰. The financial intermediation includes the provision of savings, credit, and insurance services, while social intermediation involves organising citizens' groups to voice their aspirations and raise concerns for consideration by policy makers and develop their self-confidence. These services are provided by three types of lender: formal institutions, such as rural banks and co-operatives; semi-formal institutions, such as NGOs; and informal sources such as moneylenders and shopkeepers. Institutional micro-finance includes micro-finance services provided by both formal and semi-formal institutions, collectively referred to as Micro-finance Institutions (MFIs)³¹. The basic functional difference between micro-credit and micro-finance programmes concerns the type of service that they provide. The former, like Grameen, primarily offer one type of service, which is connected to group formation and mandatory savings: loan distribution and recovery. Conversely, microfinance programs offer a wide range of financial services, including microcredit. Therefore, microcredit is an essential component of the emerging financial sector that aims to meet the credit needs of the underprivileged without access to formal sources, but it is not sufficient on its own. This could be the explanation for the moniker "second revolution" applied to the microfinance movement in credit theory and policy³². The first revolution in microcredit was centered on removing institutional obstacles to the poor's access to savings accounts and credit services. These obstacles consist of systematic market bias, high cost, high risk, lack of collateral, and knowledge asymmetries. The following are the main techniques applied in microcredit schemes: a small initial loan amount; a loan amount linked to savings; a set of standardized and restricted goods and services; group lending; social collateral; uniform loan payback and disbursement schedules; and regular repayments³³.

Proponents of the second revolution characterize these advances as "inward-looking," asserting that their main goal is to meet donor and organizational expectations rather than those of their consumers or customers. More precisely, rather of creating products to satisfy the needs of their clients, microcredit programs locate clients to fulfill the demands of their product (small loans), so offering "product-centered" services. Therefore, the advocates of the second revolution advise substituting the customer-centered strategy for the product-centered approach. This new strategy focuses on creating and offering financial services that clients desire. Research indicates that the focus on products is getting more and more problematic³³. The micro-finance landscape is changing fast, in terms of both time and geography. One consequence is that micro-credit organisations are losing their monopoly over the market to non-institutional sources of credit³⁴.

From a functional perspective, the mid-1970s micro-credit revolution is really what gave rise to the microfinance revolution. This may help to explain why the two phrases are frequently used interchangeably and/or why the two categories of programs are included under one heading³⁴. The authors who interchangeably use these phrases consider the distinctions between them to be semantic rather than significant. However, if one considers the microfinance programs' supply side, this positive viewpoint is untenable. The point is that every time we use the term "microcredit," we should be explicit about the type (or cluster of types) of microcredit that we are talking about. As one academic noted, the issue has grown essential³⁵. If not, our conversation will just become more and more confusing. In my argument, the terms "microcredit" and "microfinance" should no longer be used without specifying what they refer to. According to a researcher, the following types of microcredit/microfinance providers exist: moneylenders, pawn shops, friends and family, and consumer credit in the informal market are examples of traditional informal micro-credit. Micro-credit based on traditional informal groups, such as tontin, su su, ROSCA, etc.;

activity-based micro-credit through conventional or specialized banks, including credit for agriculture, livestock, fisheries, handlooms, etc.; rural credit through specialized banks; co-operative micro-credit: credit unions, savings and loan associations, savings banks, etc.; consumer micro-credit; bank/NGO partnership-based micro-credit, or Grameencredit; other types of micro-credit; non-NGO non-collateralized micro-credit^{35,36}.

The different reasons why microlenders give loans to the underprivileged are demonstrated by this classification. For instance, the motivations behind the loan services offered by moneylenders and microcredit NGOs are very different. The former aim to assist people who are taken advantage of by unofficial moneylenders due to a lack of access to legal credit sources. In order to reduce poverty, it is crucial to look at the underlying conceptual distinctions between microfinance and microcredit. Regretfully, there aren't many studies that address the microfinance revolution conceptually; one notable exception is *Microfinance and the Reduction of Poverty: Asian and Pacific Case Studies*³⁷. The standard banking perspective on microfinance is adopted in this book. Financial intermediation, or banking, is the process of combining "the independent acts of savers and borrowers to facilitate one another's goals"³⁶. The formal banking system caters to wealthy metropolitan customers, whereas the market for microfinance services is mostly made up of impoverished rural residents who require credit to pursue their small businesses in the unofficial economy. That is the only distinction between microfinance and the conventional banking system. Microfinance entrepreneurs are typically self-financed businesspeople who meet this demand by applying standard profit incentives. Subsidized lending and banking for the underprivileged are therefore contrary to "best practices in microfinance"^{37,38}.

There are two key conceptual distinctions between microfinance and microcredit. The first is related to the desire for profit. By definition, microcredit programs run by NGOs or non-

profits don't aim to turn a profit. On the other hand, microfinance is a private, for-profit industry. How the operations are financed is the subject of the second basic conceptual distinction. While microfinance programs aim to turn a profit and eventually need to become self-financing, microcredit programs managed by nonprofit organizations rely on outside funding. For instance, moneylenders don't ask national or international donor agencies for investment funding; instead, they conduct business with their own cash. Additionally, for obvious reasons, national and international development agencies are unable to assist them in pursuing their loan endeavors^{39,40}.

2.1.3 Regulatory Environment

The regulatory environment surrounding microfinance institutions in Nigeria plays a crucial role in shaping their operations, effectiveness, and impact on poverty alleviation. Existing literature highlights the significance of regulatory frameworks in ensuring financial stability, consumer protection, and institutional governance within the financial sector. Scholars have identified key regulatory factors such as licensing requirements, prudential regulations, supervision mechanisms, and legal frameworks governing microfinance and banking activities. Studies suggest that a supportive regulatory environment characterized by clear, transparent, and enforceable regulations can foster innovation, competition, and sustainability within the microfinance and banking sectors, thereby enhancing their capacity to reach underserved populations and facilitate access to financial services among low-income individuals and small businesses. Conversely, regulatory constraints, bureaucratic hurdles, and inconsistencies in regulatory enforcement may hinder the growth and outreach of microfinance institutions, limiting their ability to effectively address poverty and promote inclusive economic development⁴¹.

The issue of regulation and supervision has attracted a growing interest in the microfinance sector akin to the formal financial sector. The regulation in the formal financial sector aims to maintain a balance between shareholder and debtor/depositor interests, arises from information asymmetries that are due to the peculiar nature of the assets of the banking firm⁴². Financial organizations, such as banks and depository intermediaries, may take on unduly risky positions in order to boost expected returns for shareholders, which could cause a conflict of interest between depositors and shareholders. The primary cause of this moral hazard issue is the asymmetric distribution of information, which gives insiders—such as bank owners and managers—an informational advantage over outsiders—such as depositors and creditors. This can result in agency issues, such as depositors' incapacity to keep an eye on financial institutions' decisions⁴³.

Furthermore, in a scenario where there is competition in the market, other rivals would be compelled to accept the high interest rate that one institution is offering, which would ultimately put the system at undue danger. Similar to this, when an institution fails, the system typically experiences panic and large withdrawals, which can impact even the most responsible institutions. The entire financial system may be harmed by the repercussions of one institution's opportunistic behavior. Government control over banks is seen as a tool in many nations to ensure system safety; these measures are typically coupled with economic controls like interest rate limits and limitations on certain assets and activities⁴⁴.

Recent financial reforms in developing economies have resulted in the elimination of economic regulation and the adoption of a prudential approach that centers on supervisory controls through on-site and off-site monitoring and capital adequacy requirements. Capital requirements are seen to aid in regulating bank risk-taking, despite the fact that risks are difficult to identify in the context of developing nations. Inadequate high-quality accounting

systems and a shortage of competent staff make monitoring challenging as well. Prudent regulation in emerging nations merely adopted a best practice package that was created elsewhere, primarily in developed nations. According to a recent study, following worldwide best practices did not lessen the likelihood that a nation will experience a banking crisis. The reform experiences in developing countries, particularly from East Asia, suggest that a gradual approach to financial sector reforms is important mainly because developing countries in general do not have in place sufficient institutional arrangements to permit a prudential approach to bank regulation to be successful in ensuring banking stability⁴⁵. These experiences shed light on the politicisation of the regulatory process and the difficulty in enforcing legal/bureaucratic regulations in developing countries.

Concerns have been raised about whether regulation of the microfinance industry is necessary and, if so, what alternatives exist in contrast to copying formal sector methods. Despite serving a sizable portion of the populace and strengthening the financial system over time, microfinance institutions have not attained sufficient market penetration to constitute a systemic danger to the financial system as a whole⁴⁶. The arguments for regulation in the microfinance sector seem to be appropriate when we consider the level of uncertainties to which clients are subjected such as innovative procedures and high operating costs. Also, financial failures in the microfinance sector could have a serious impact on the financial system by affecting commercial banks (who lend to microfinance institutions) and public confidence.

The case against microfinance regulation is predicated on the industry's modest scale and the notion that creating and enforcing laws will cost more money than it will save. For example, a recent Ghanaian study found that the expense of microfinance institution oversight is disproportionate to the potential impact on the system⁴⁷. Financial depth along with the

creation of a competitive market structure that extends across different financial services and client groups is essential for the expansion of the sector, even though tiny financial institutions may be expensive to regulate and oversee. However, the conclusions of a study on 12 regulated microfinance institutions in Latin America reported that the benefits of regulation exceeded the cost, and the benefits include greater access to commercial sources of funds for equity and debt, ability in providing diversified products, higher standards of control and reporting, and, enhanced legitimacy in the operations⁴⁸.

The idea of internal/self-regulation is also discussed in the literature although the concept is not that appealing in the context of diversified activities by the microfinance institutions. Under this, the primary responsibility for monitoring and enforcing regulation lies within the organisation or an apex organisation. This cost-effective mechanism may be appropriate for relatively smaller microfinance institutions or those in the early stages of growth. However, the likelihood of succeeding in the context of diversified operations and objectives is limited⁴⁹. In South Africa, the Association of Micro Lenders sought self-regulation of the microfinance sector in 1996. The impetus behind this move was the pre-emption of inappropriate regulation, improvement of refinance facilities available to the members, and an enhanced public status of microlenders. However, a scholar notes that over the years, the South African experience illustrates that the experience of self-regulation does not serve the intention of consumer protection and safeguarding the financial system. The ineffectiveness of the self-regulation approach may be due to the conflict of interests between various stakeholders within the institution. The enforcement and governance rests primarily on member motivation in this type of approach, which was not effective in many cases⁵⁰.

There are certain instances where the regulatory authorities contact a consulting firm to perform regulatory functions, a useful approach when supervisors do not have adequate

interest and capabilities in regulating microfinance institutions. Although the regulatory agency maintains legal responsibility of the supervised institutions, it delegates regular monitoring and on-site inspections to a different agency. For instance, in Indonesia, Bank Rakyat uses its rural branch offices to supervise a large number of tiny municipal banks (Badan Kredit Desas). In Peru, Bank Superintendent has delegated day-to-day oversight to a federation of municipal savings and loan institutions which assists the monitoring process, with the technical assistance of a German consulting firm. This hybrid approach is considered as a logical one since microfinance portfolios require different approaches and skills rather than commercial bank supervision⁵⁷. An alternative view is that regulation in the microfinance sector can be achieved through the existing legal and regulatory framework. However, most of the legislations in the formal sector need to be reframed in the context of microfinance institutions for their application. For instance, in Zambia, the Banking and Financial Act fixes separate minimum capital requirements depending on the nature of institutions such as banks, leasing companies, and other non-bank institutions, in addition to a risk-weighted capital adequacy ratio of 10% applied to all these institutions on a sliding scale which incorporates the size, profitability, diversification and other relevant characteristics⁵¹. The reality is that this scheme as per se does not accommodate microfinance institutions and explains the definitional rigidities followed in the formal systems.

Microfinance institutions are significantly different in their risk profiles such as risks on credit, interest, and liquidity which provide a further argument for regulation and rapid integration with practices such as prudential regulation. The policy justification for prudential regulation is to prevent risk profiles and protect small investors. The observance of sound risk management is an indispensable one, whether the microfinance institutions are subject to external regulation or not⁵². Prima facie, this appears as a straightforward argument for regulation in microfinance institutions as well, but one needs to accept the volume and nature

of activities by these institutions which raise the issue of applicability of the set of rules prevalent in the formal financial sector. Some scholars observed that, unlike formal financial institutions, it would be difficult in the case of microfinance institutions to provide additional capital at the time of distress. In the formal financial sector, at times of distress, regulators can instruct to stop lending without affecting the debt collection process. However, in the microfinance sector, an action of this nature will seriously affect the repayment of outstanding loans, and the cost of collection may be more than the value of the outstanding loans in many cases⁵³.

There is also a point that regulated microfinance institutions must be more conservative in prescribing the financial indicators for risk management such as higher risk-weighted capital adequacy ratios which reveal the financial strength and the ability of the institution to absorb losses. The fact that portfolio assets of microfinance institutions come under the high-risk category indicates the potential danger of permitting to leverage itself by these institutions. For instance, in Latin America and Caribbean countries, studies have found that general principles of financial regulation are not entirely appropriate for microfinance institutions⁵⁴. Regulators must take into account the differences among various classes of borrowers and methodologies employed to reach these borrowers. Regulators must understand the dynamics of the system and allow sufficient flexibility concerning issues such as documentation and legal procedures⁵⁵.

Likewise, loan loss provisions and classifications are anticipated to align with the value at risk within a loan portfolio, so influencing the institution's income statement and balance sheet. Since microfinance loans are categorized as consumer loans, their minimum loan loss provisions are determined by how many days the loan is past due. Since most of these loans have shorter repayment terms, even a few-month arrears gap could cause more issues for

borrowers. Additionally, it becomes challenging to recoup these loans once they enter the arrears category. Conservative procedures are necessary to keep the microfinance sector afloat even though they may have an impact on the equity and return on assets of these organizations. All these discussions on the need for sector-specific regulations emphasise the distinctiveness of the sector⁵⁶.

The unique rules might create a climate that makes it easier for microfinance organizations to mobilize savings and less difficult to enforce standard banking laws. Nonetheless, the research generally agrees that prudential regulation should only be applied to microfinance organizations that take deposits in order to provide loans; this point is covered in more detail in the following section. Incorporating country-specificities into the regulatory strategy is crucial due to the diverse macroeconomic conditions and varying stages of development⁵⁷.

2.1.5 Socioeconomic Factors

The complex foundation that human civilization is constructed upon is comprised of socioeconomic considerations. These variables cover a wide range of topics, from social standing and employment prospects to income and education. Taken together, they influence the opportunities and limitations that people and communities face as they work toward prosperity and well-being. The idea of income is fundamental to socioeconomic issues since it determines access to basic goods and services as well as acts as a gauge of financial resources. The unequal distribution of wealth within a society, known as income inequality, is a distinguishing characteristic of socioeconomic dynamics and has significant effects on both economic mobility and social cohesion. High levels of income inequality can exacerbate disparities in access to education, healthcare, and housing, perpetuating cycles of poverty and marginalization⁵⁸.

A key component of socioeconomic development, education opens doors to both social and economic mobility. Having access to a high-quality education gives people the competencies, information, and abilities needed to prosper in a global economy that is becoming more and more competitive. On the other hand, differences in educational achievement, which are frequently associated with socioeconomic status, might support intergenerational cycles of disadvantage by preventing upward mobility and perpetuating social inequality. Opportunities for employment are crucial in determining socioeconomic results because they give people the ability to support themselves financially and enhance the well-being of their communities. On the other hand, underemployment and unemployment present serious problems since they not only rob people of their money but also damage their sense of self-worth and social standing. Structural factors, such as technological change, globalization, and labor market dynamics, influence the availability and distribution of employment opportunities, exacerbating disparities in income and well-being⁵⁹.

Socioeconomic results are also significantly impacted by social factors, such as cultural capital, social support networks, and healthcare access. Variations in the quality and accessibility of healthcare can exacerbate socioeconomic disparities in morbidity and death by producing differing health outcomes. Social capital can act as a buffer against hardship, promoting resilience and community cohesiveness. It is defined as the networks of relationships and social norms that promote collaboration and mutual assistance⁶⁰.

Furthermore, socioeconomic variables interact with other aspects of identity and experience, such as geography, gender, race, and ethnicity, to shape people's lived reality in intricate and varied ways. Feminist scholars introduced the notion of intersectionality, which highlights the interconnectedness of social classifications and the particular difficulties encountered by people who occupy several marginalized identities. In navigating the complex terrain of

socioeconomic factors, policymakers and practitioners confront a myriad of challenges and opportunities. Addressing disparities in income, education, and employment requires multifaceted interventions that target both structural barriers and individual capabilities. Investments in education and skills training, social safety nets, and inclusive economic policies can enhance opportunities for upward mobility and foster inclusive growth. Building resilient societies that can withstand social upheavals and economic shocks also requires promoting social cohesiveness and solidarity. Encouraging social inclusion, diminishing stigma, and fortifying social support systems can augment people's feeling of inclusion and group effectiveness, cultivating collaboration and assistance amongst them⁶¹.

The relationship between microfinance banks and poverty alleviation creates a captivating story of struggles and promise among the complex socioeconomic landscape of Nigeria. The struggle for social justice and economic empowerment is at the center of this story, and microfinance emerges as a promising tool for underprivileged groups looking to escape the grip of poverty. Despite having an abundance of natural and human resources, Nigeria yet faces severe poverty and wealth disparity. In light of this, microfinance banks have become vital allies in the fight against poverty thanks to their goal of offering financial services to those who are economically marginalized. These institutions serve as money conduits, promoting entrepreneurship and economic inclusion. They are frequently designed to meet the needs of small-scale business owners, craftsmen, and rural residents. However, there are both successes and failures in the complex relationship between microfinance and reducing poverty in Nigeria. On the one hand, microfinance programs have raised the status of many people, especially women, by empowering them to start and grow small enterprises, make money, and raise their standard of living. These success stories underscore the transformative potential of microfinance in uplifting communities and fostering sustainable development⁶².

However, challenges abound. Despite the proliferation of microfinance institutions across Nigeria, access to finance remains a formidable barrier for many impoverished individuals and communities. Limited financial literacy, inadequate infrastructure, and bureaucratic hurdles often impede the effective delivery of microfinance services to those who need them most. Moreover, the sustainability of microfinance interventions is contingent upon a supportive regulatory framework, sound governance practices, and robust risk management mechanisms—areas where deficiencies persist in Nigeria's financial landscape⁶³.

Furthermore, the impact of microfinance on poverty alleviation is not uniform. While some borrowers experience significant socioeconomic gains, others may find themselves trapped in cycles of indebtedness, particularly in the absence of adequate financial education and consumer protection measures. Moreover, the reach of microfinance initiatives tends to be concentrated in urban and peri-urban areas, leaving rural populations—among the most vulnerable to poverty—underserved⁶⁴. In navigating these complexities, it becomes evident that the relationship between socioeconomic factors, microfinance banks, and poverty alleviation in Nigeria is multifaceted and dynamic. Achieving meaningful progress requires a holistic approach that addresses not only the financial needs of the poor but also the broader structural impediments to inclusive growth. This entails fostering an enabling environment for microfinance institutions through targeted policy interventions, investments in human capital development, and the provision of critical infrastructure. Moreover, enhancing the impact of microfinance on poverty alleviation necessitates a commitment to innovation and adaptation. Embracing technological solutions, such as mobile banking and digital finance platforms, can expand the reach of financial services to remote and underserved communities, reducing transaction costs and enhancing efficiency. Similarly, integrating microfinance with complementary interventions, such as skills training, healthcare services, and social safety nets, can amplify its poverty-reduction effects and foster holistic development⁶⁵.

Ultimately, the relationship between socioeconomic factors, microfinance banks, and poverty alleviation in Nigeria embodies a complex interplay of opportunities and challenges. While microfinance holds immense potential as a catalyst for inclusive growth and social transformation, realizing this potential requires concerted efforts to address systemic barriers and promote sustainable, equitable development. In the pursuit of a more just and prosperous society, microfinance stands as a powerful instrument of change—a beacon of hope for millions striving to build a better future for themselves and their communities⁶⁶.

In Nigeria, socioeconomic factors have a significant impact on the dynamics of poverty as well as the effectiveness of banking and microfinance initiatives. Numerous studies have demonstrated the relationship between poor outcomes and socioeconomic factors such as income levels, educational attainment, access to healthcare, work possibilities, and wealth distribution. Research indicates that people and groups experiencing socioeconomic challenges, such as restricted access to formal employment, healthcare, and education, are more susceptible to being caught in poverty and experiencing economic marginalization. Furthermore, differences in wealth accumulation and income distribution amplify inequality and obstruct attempts to attain long-term poverty reduction. Academics stress the significance of tackling the underlying socioeconomic roots of poverty through comprehensive and integrated strategies that incorporate financial inclusion with investments in social protection, human capital development, and programs for economic empowerment⁶⁴.

2.1.5 Technology & Innovation

Technological innovation stands as the cornerstone of human progress, driving transformative change across every facet of society, from communication and transportation to healthcare and industry. At its essence, technological innovation represents the relentless pursuit of creativity and ingenuity, pushing the boundaries of what is possible and unlocking

new opportunities for human endeavor. The landscape of technological innovation is vast and ever-evolving, encompassing a diverse array of disciplines, from information technology and biotechnology to renewable energy and artificial intelligence. Each innovation, whether incremental or disruptive, carries the potential to reshape industries, redefine social norms, and alter the course of history. One of the defining features of technological innovation is its capacity to catalyze exponential growth and change. The phenomenon known as Moore's Law, which describes the doubling of computing power approximately every two years, exemplifies the rapid pace of technological advancement. This exponential growth curve underpins the proliferation of digital technologies, enabling breakthroughs in fields such as data analytics, machine learning, and automation⁶⁷.

Moreover, technological innovation is characterized by its interconnectedness and convergence. The convergence of technologies, such as the integration of computing, telecommunications, and biotechnology in the field of digital health, fuels synergies and amplifies impact, driving cross-disciplinary collaboration and innovation. This convergence also blurs the boundaries between physical and digital realms, giving rise to interconnected ecosystems where information flows seamlessly across platforms and devices. At the heart of technological innovation lies the spirit of entrepreneurship and experimentation. Innovators, whether in academia, industry, or grassroots communities, embody a pioneering ethos, challenging conventional wisdom and pushing the boundaries of what is possible. Entrepreneurial ecosystems, characterized by vibrant startup cultures, venture capital investment, and supportive policy frameworks, serve as fertile ground for nurturing innovation and scaling transformative ideas⁵⁸.

However, the pursuit of technological innovation is not without its challenges and ethical considerations. The rapid pace of technological change can outstrip society's capacity to

adapt, leading to unintended consequences and ethical dilemmas. Issues such as data privacy, cybersecurity, and the ethical use of emerging technologies, including artificial intelligence and gene editing, demand careful consideration and responsible stewardship. Moreover, technological innovation has the potential to exacerbate existing inequalities and create new forms of social exclusion. The digital divide, which refers to disparities in access to and use of information and communication technologies, underscores the importance of ensuring equitable access to the benefits of innovation. Bridging the digital divide requires not only infrastructure investment but also targeted efforts to build digital literacy and empower marginalized communities⁵⁹.

In navigating the complexities of technological innovation, policymakers, businesses, and civil society must adopt a holistic approach that balances innovation with responsibility, progress with equity, and risk with resilience. This entails fostering an innovation ecosystem that promotes diversity, inclusivity, and sustainability, while also safeguarding against potential risks and unintended consequences. Ultimately, technological innovation holds the power to shape the future of humanity in profound and unforeseen ways. By harnessing the creative potential of human ingenuity and channeling it towards the greater good, societies can unleash the transformative power of innovation to address the most pressing challenges of our time and build a more prosperous, equitable, and sustainable world for future generations⁶⁰.

The intersection of technological innovation, microfinance banks, and poverty alleviation in Nigeria represents a nexus of potential, where the forces of creativity, finance, and social impact converge to drive meaningful change in the lives of the underserved. In a country grappling with pervasive poverty and economic disparity, harnessing the transformative power of technology within the microfinance sector holds promise as a catalyst for inclusive

growth and sustainable development. Technological innovation has the potential to revolutionize the operations and outreach of microfinance institutions, expanding their capacity to reach marginalized populations and deliver tailored financial services. Mobile banking platforms, for instance, offer a cost-effective and accessible means of providing financial services to remote and underserved communities, enabling microfinance banks to overcome geographic barriers and extend their reach into previously inaccessible areas⁶¹.

Moreover, digital lending platforms powered by artificial intelligence and machine learning algorithms hold the potential to streamline the loan application and approval process, reducing administrative overhead and enhancing efficiency. By leveraging alternative data sources, such as mobile phone usage patterns and digital payment histories, these platforms can assess creditworthiness more accurately and extend credit to individuals who may have been excluded from traditional banking systems due to lack of collateral or credit history. Technological innovation can enhance the effectiveness of microfinance interventions by facilitating financial literacy and education initiatives. Mobile-based financial education apps, interactive e-learning platforms, and digital literacy workshops can empower clients with the knowledge and skills necessary to make informed financial decisions, manage their resources effectively, and invest in income-generating activities⁶².

In addition to enhancing the operational efficiency and outreach of microfinance institutions, technological innovation has the potential to catalyze entrepreneurship and economic empowerment among the poor. Access to digital marketplaces and e-commerce platforms can enable microfinance clients to expand their customer base, market their products and services more effectively, and access new revenue streams. Similarly, digital skills training programs can equip aspiring entrepreneurs with the technical know-how to leverage digital tools and platforms for business growth. However, realizing the full potential of technological

innovation in the context of microfinance and poverty alleviation in Nigeria requires addressing a range of challenges and considerations. Infrastructure constraints, including limited internet connectivity and unreliable power supply, pose significant barriers to the widespread adoption of digital technologies, particularly in rural and remote areas. Additionally, concerns regarding data privacy, cybersecurity, and digital literacy must be carefully managed to ensure the responsible and inclusive deployment of technology-enabled financial services⁶³.

Moreover, while technological innovation holds promise as a tool for poverty alleviation, it is not a panacea for addressing the underlying structural determinants of poverty. Microfinance interventions must be complemented by broader efforts to promote inclusive economic growth, strengthen social safety nets, and address systemic barriers to opportunity and social mobility. Technology and innovation have emerged as powerful drivers of financial inclusion and poverty alleviation in Nigeria, offering new opportunities to expand access to financial services, reduce transaction costs, and enhance operational efficiency within the microfinance and banking sectors. Empirical evidence suggests that the adoption of digital technologies, mobile banking platforms, fintech solutions, and data analytics tools has revolutionized the delivery of financial services, particularly in remote and underserved areas. Innovations such as mobile money, agent banking, and digital credit have enabled millions of unbanked individuals to access savings accounts, credit facilities, insurance products, and payment services, thereby fostering greater financial resilience and inclusion. Moreover, technology-driven initiatives have facilitated more efficient loan processing, risk assessment, and customer outreach, enabling microfinance institutions to reach scale and serve previously excluded populations profitably. However, scholars caution that the digital divide, cybersecurity risks, regulatory challenges, and data privacy concerns pose significant barriers to realizing the full potential of technology and innovation in poverty alleviation⁶⁴.

2.1.6 Poverty Alleviation

Poverty was defined as a condition characterized by severe deprivation of fundamental human necessities such as food, safe drinking water, sanitation facilities, health, shelter, education, and information at a UN Summit on social development, 'the Copenhagen Declaration' in 1995. A person is considered poor when his or her consumption falls below the poverty line of \$1 per day. Poverty, according to one study, is multifaceted and intertwined, involving a lack of shelter, assets, and money, as well as hunger, pain, discomfort, tiredness, social exclusion, vulnerability, powerlessness, and low self-esteem⁴¹.

Poverty for rural people entails a lack of food, insecurity, infertility, and the inability to participate in social activities. Poverty is defined by urban dwellers as a lack of job, poor social services, insufficient capital, and a lack of training skills. A professor remarked that traditional banking processes had inherent limits and were directed solely at individuals who were already wealthy. In this context, a scholar considered an alternative institutional framework that may be used to improve the lives of disadvantaged members of society. This review of literature analyzes the success of microfinance programs under the hypothesis that, if financial resources were made available to the poor on appropriate terms and conditions, the poor might establish productive employment without external aid⁴².

Poverty is a multidimensional problem that requires broad intervention to break the vicious cycle of poverty demands. According to reports, more than 150 million of the world's poorest families obtained a micro loan in 2011, with the attainment of this target affecting the lives of an estimated half a billion people. When the United Nations named 2005 as the International Year of Microcredit, intense disagreements among advocates of poverty and sustainability camps reached a high stage, and this year can be considered a land mark for the MF divide. It is both human and unfair to observe a society in which a few hundred million people have

access to all of the planet's resources while billions struggle to survive. Citing a research conducted in 2000, the scholar states that "the richest 10 percent owned 85 percent of the world's resources, and the 1 percent owned 40 percent of the world's assets"⁴³.

Physical weakness is a result of hunger, small stature, lack of food, weakened immune systems caused by illnesses, and difficulty to access or afford healthcare. Chambers has documented the various forms of deprivation that individuals in extreme poverty identify as their experience, which are not taken into account by metrics of income poverty. These include malnourishment, limited stature, and physical weakness from starvation. A household's physical weakness can lead to poverty in a number of ways, including decreased pay for women and the weak, limited productivity of weak labor, incapacity to farm greater areas or put in long hours, and so on. It sustains isolation because of lack of time or energy to attend meetings, lack of education, remoteness, being out of contact, sustains poverty, services do not reach those who are remote, illiterates cannot read information of economic value, and find it difficult to obtain loans. Isolation means lack of contact with political leaders and therefore misses government development policies⁴⁴. Vulnerability is part of the many links. It relates to poverty through the sale of productive assets; to physical weakness to handle contingencies, time and energy have to be substituted for money, isolation through withdrawal. Powerlessness contributes to poverty in many ways, through exploitation by the powerful⁴⁵.

Despite abundant resources and oil money, poverty is pervasive in Nigeria. The situation has deteriorated since the late 1990s, to the point where the country is currently ranked as one of the world's 20 poorest countries³⁶. Over 70% of the population is categorized as poor, with 35% living in extreme poverty. Poverty defies objective description due to its multidimensional nature. There is still no commonly agreed definition of poverty. It is often

difficult to draw the line between the impoverished and the "non-poor". A scholar defines poverty as a lack of command over basic consuming demands, in other words, there is an inadequate amount of consumption, resulting in insufficient food, clothing, shelter, and as well as inability to participate with dignity in society³⁷.

The Oxford Advanced Learner's Dictionary says, "poor" means "having very little money, not having enough money for basic needs." It goes further to define "poverty" as "the state of being poor"³⁸. This means that poverty is a condition or quality of being poor, of being deficient in necessary properties, lack of the resources for reasonably comfortable living as well as lack of access to information service. Poverty has been seen as the inability to attain a minimum standard of living. The World Bank constructed two indices based on a minimum level of consumption to show the practical aspect of the concept. The first index was a country specific poverty line and the second was global, allowing cross-country comparisons³⁹. The United Nations has introduced the use of such other indices as life expectancy, infant mortality rate, primary school enrolment ratio and number of persons per physician.

Poverty is the condition in which one is "destitute of riches and abundance", with not enough to feed or live on⁴⁰. The word poverty is relative, in that it varies in perception from one group of people to another. Who is poor? One who has no food, but can work out his/her daily living? Or one who has no hands to work with? This is why there is little attention given to eradicating poverty in Nigeria. It seems everybody is poor. So everybody strives to accumulate wealth without any sense of contentment and at the expense of others. A scholar said: our review of biblical passages suggests that hunger is an expression of poverty and that poverty is a consequence of social injustice. Poverty is a denial of human rights, unemployment, inadequate housing, health care, education, hunger, and malnutrition; all are

evidence of violation of human rights. This is particularly true in the case of countries with free-enterprise economies where poverty exists side by side with the affluence of elites. It is, in fact, a by-product of the economic structure that produces such affluence⁴¹.

In Nigeria, poverty is not a hidden fact. It is written all over the faces, bodies, and appearances of people. It can be seen from their faces, the type of house, the kind of clothes worn, the quality of food taken and a number of times it is eaten. As late Obafemi Awolowo puts the characteristics of poverty as the “inability of one to have the means to satisfy the necessity of life; under-nourishment or malnutrition; wretched and degrading shelter; shabby clothing and lack of any luxury”⁴². Poverty has also been conceptualized in both the “relative” and “absolute” sense. This is generally based on whether relative or absolute standards are adopted in the determination of the minimum income required to meet basic life’s necessities. The relative conceptualization of poverty is largely income-based or ultimately so. Accordingly, poverty depicts a situation in which a given material means of sustenance within a given society is hardly enough for subsistence in that society¹⁸. In other words, poverty must be conceived, defined, and measured in absolute quantitative ways that are relevant and valid for analysis and policy making in that given time and space⁶⁵.

In Nigeria, the prevalence of both relative and absolute poverty is duly recognized and even mentioned in various National Development Plans⁴³. Concern for poverty scourge received a further boost during the 1975 Annual Conference of the Nigerian Economic Society (NES) and the 1997 Annual Conference of the same NES. The 1975 NES conference was devoted entirely to sensitizing the nation to the poverty menace; the view that poverty existed when incomes or disposable resources were inadequate to support a minimum standard of decent living. Some of the components of living were specified in the individual papers and more importantly, the urban poverty was well x-rayed. The 1997 Annual Conference was devoted

to the impact of the Structural Adjustment Programme (SAP) on poverty in Nigeria and different methods of alleviating poverty in Nigeria. It was agreed that the majority of those who are poor are not producers themselves. This group of people forms part of the dependent population because they have no direct earnings of the type typically evaluated in distribution studies. And partly there is no guarantee that an increased income would be spent on essential services. Therefore, it was agreed upon that improvement in basic needs such as medical, housing, education, regular access to nutritional food, and so on remains the best option⁴⁴.

According to a scholar, poverty in Nigeria is primarily seen in terms of the need for individual development in Nigeria. Basic necessities for all members of a society include food, clothes, shelter, health care, education, employment, and mobility. Dudley offered several fundamental measures of the state's basic services, particularly with regard to Nigeria's impoverished population. The majority of the conversation was about the country as a whole. He mentions nutritional concerns in addition to illustrating the general unfavorable circumstances in both rural and urban areas, inequality, and the availability of potable water. For example, it was reported that thirty percent of Oyo State's families suffer from malnutrition. The scholar also stated that, in Lagos State more than 72 percent of the households lives in one-room houses. The scholar also highlighted that access to health services may vary from two-third of the population in the South to one-third in the North⁴⁵.

A researcher adopted the principle of basic need in the comprehensive study of poverty in Nigeria. She alludes that there is substantial under-reporting in basic indicators especially in child mortality, diseases and morbidity. She also states that there is positive urban bias in government expenditure for basic services significantly inadequate income to meet basic food needs let alone basic services⁴⁶. The issue of conceptualizing poverty within a basic needs framework, specifying these needs and settling minimum levels for them within the Nigerian

context, has been the focus of studies by Ogwumike⁴⁷. These studies generally defined poverty as a household's inability to provide sufficient income to satisfy its need for food, shelter, education, clothing and transportation. Minimum standards for food are based on nutritional requirements in terms of calories and protein consumption habit and customs are also allowed in the selection of the food items to give the required national stock. Shelter and education, the number of persons per room and the number of children attending school (and the level of schooling) respectively, are adopted as minimum standard. However, the problem of defining minimum standard for clothing and transportation has persisted⁴⁸.

2.1.6.1 The State of Poverty in Nigeria

Nigeria is regarded to be one of the countries with the greatest poverty rate. As pointed out by Yamsat, "Nigeria is declared by the World Bank as the 18th poorest nation in the world using basic economic indicators like per capita income." Nigeria, paradoxically, has been ranked one of the world's richest countries because to its oil and gas reserves. It is a country whose residents live in abysmal poverty despite abundant resources⁵⁴. Nigeria has long been regarded as one of Africa's richest countries, owing to its vast petroleum reserves and population. Ironically, unemployment and poverty are the most dominating features of the Nigerian economy. Unemployment has been an issue in Nigeria, especially after 1980, when the nation's economy took a turn for the worse as world petroleum prices tumbled; the Nigerian currency became devalued, corruption became rampant, and the population of Nigeria ballooned at a breathtaking pace. The resultant poverty has posed questions about the wisdom of conventional strategies for national development⁵⁵.

Nick Odeh in the Newswatch of June 12, 1999, raised an alarm over the poverty level in the country. Accordingly, the Federal Office of Statistics released on May 27, 1999 reports that "about 70 percent of an estimated 102.3 million people are poor. An estimated number of the

poor rose from 18 million to 35 million in 1985. It further increased to 39 million in 1992 and 67 million in 1996.” This goes on to reveal that now the population of Nigeria is estimated to be about 140,000 that the poor people would be more than 100,000,000 million people. In lamenting the state of poverty in Nigeria, Yamsat said: it is not surprising therefore that injustice prevails in Nigeria and it is in the increase. It explains why human rights are reserved for a few wealthy individuals in the hamlet, town, courts, police stations, schools, and political arenas, among other places. For, as previously stated, human rights have no significance to a poor person because he cannot afford to eat three meals a day, let alone hire a lawyer to help him fight for such rights. Because of the amount of poverty in Nigeria, many who would not have tasted the seat of power, got there by purchasing votes from the teaming impoverished voter⁵⁶.

The same thing happens in court, as Justice Oputa states: access to the courts is an essential adjunct of the Rules of Law and the exercise of the citizen's rights. It highlights that justice should not be reserved for a select few wealthy individuals, but should be available to all inhabitants of our country. However, access to the courts necessitates the payment of summons fees, lawyer fees, and the payment for a record of proceedings in the event of an appeal. All of this is well out of reach for the poor and unemployed, who find justice too dear and cheerfully accept its denial⁵⁶. Another scholar agrees and adds that many are languishing in jail or are wrongfully detained in police cells for the same reason. Nigerian situation is worsening every day. It is now like the time of prophet Amos; the rich are becoming richer while the poor poorer. As such, nationally, Nigeria is degenerating to worse poverty on daily basis. Political powers are only for those who are well to do. When they get there, they help to siphon the public funds into the private pockets. Most Nigerians are poor politically, socially, educationally, and spiritually too, since none of these can be achieved without the necessities of life. Majority of the rich people in the country have acquired their riches

through corrupt and unholy means. One would wonder why so such a high rate of corruption in a nation well known for its religiosity⁵⁷.

Even though the majority of Nigerians are religious, they have low spiritual and moral standards. Many people practice religion yet deny its ability to meet their basic necessities, as promised by the God they claim to worship or serve. Corruption, tribalism, and sectionalism are prevalent in religious, political, and corporate circles. So poverty persists in the land because even vast sums of money and property stolen from government and private enterprise coffers do not last. The result has halted development and productivity, and there is no progress, only retrogression if not destruction. It is regrettable that from 1995 to 1998, Transparency International rated Nigeria as one of the most corrupt nations in the world⁵⁸.

Poverty is especially severe in rural areas, where social services and infrastructure are limited or non-existent. The great majority of those who live in rural areas are poor and depend on agriculture for food and income. About 90 percent of the country's food is produced by small-scale farmers cultivating tiny plots of land who depend on rainfall rather than irrigation systems. Surveys show that across the country 44 per cent of male farmers and 72 per cent of female farmers cultivate less than 1 hectare of land per household. Women play a major role in the production, processing and marketing of food crops. The poorest groups are on a subsistent living but often go short of food, particularly during the pre-harvest period. A high proportion of rural people suffer from malnutrition and other diseases related to poor nutrition. The HIV/AIDS pandemic has also taken a heavy toll among the rural population^{58,59}.

2.1.6.2 Causes of Poverty in Nigeria

Causes of poverty in Nigeria have both external and internal factors emanating from global poverty.

- **External Factors:** Global decisions of the rich countries behind the increasing interconnectedness in globalization and practices of the rich countries affect the third world countries. These are typically influenced, driven, or formulated by the rich and powerful nations through global actors such as multinational corporations, institutions, and influential people. In the face of such enormous external influence, the governments of poor nations and their people are often powerless. In the global context, a few get wealthy while the majority struggle. The poorest people also have less access to health facilities, education, communication and other services. Problems of hunger, malnutrition and disease afflict the poorest in society. The poorest are also typically marginalized from society and have little representation or voice in public and political debates, making it even harder to escape poverty⁶⁰.

By contrast, the wealthier you are, the more likely you are to benefit from economic or political policies. The amount the world spends on military, financial bailouts and other areas that benefit the wealthy compared to the amount spent to address the daily crisis of poverty and related problems are often staggering. Globalization poverty is alarming and Anup Shah said:

Almost half of the world's population, or more than 3 billion people, lives on less than \$2.50 per day. The GDP of the 41 Heavily Indebted Poor Countries (567 million people) is less than that of the world's seven richest persons. Almost a billion people began the twenty-first century unable to read or sign their names. Less than 1% of the world's annual spending on weaponry was required to enroll every child in school by the year 2000, but this did not occur. One billion children live in poverty, accounting for one in every two children worldwide. 640 million people live without proper shelter, 400 million do not have access to potable water,

and 270 million do not have access to health care. 10.6 million died in 2003 before they reached the age of 5 (or roughly 29,000 children per day)⁶¹.

External factors have increased the wave of bad policy and governance in Nigeria as exploitation of poor nations by international business magnets and high level of inequalities have affected social cohesion and led to problems of increased crime and violence in third countries with abject neglect of the suffering masses. Decline of oil prices caused poverty in Nigeria. The country's main export has been affected while international interest rose up which compounded the external debt. The major underlying reason, however, is domestic policy mistakes. Economic reforms were introduced by the government of Nigeria in mid 1986 in a structural adjustment programme that included exchange rate devaluation, trade and financial reforms, and budgetary and monetary contraction. These reforms were expected to revitalize the economy's growth. In turn, growth was expected to contribute noticeably to improved equity in the country. Following the reforms the real growth rate became positive after 1988, leading to the widespread view that the reforms had produced positive results. But after that period, things went downward, and so Nigeria continues to decline⁶².

External factors have fanned the embers of structural adjustment conditionalities on cutbacks in health, education and other vital social services around the world as prescribed by the International Monetary Fund (IMF) and the World Bank as conditions for loans and repayment. In addition, developing nation governments are required to open their economies to compete with each other and with more powerful and established industrialized nations. To attract investment, poor countries enter a spiraling race to the bottom to see who can provide lower standards, reduced wages, and cheaper resources. This has increased poverty and inequality for most people. Poverty has empowered hunger, diseases, and idleness to increase the wave of infant mortality in the third-world countries⁶³.

According to UNICEF, more than 25,000 children die each day around the world, with one kid dying every 3.5 seconds and 17-18 children dying every minute. In 2004, Asian tsunamis struck nearly every 1.5 weeks, while Iraq-scale deaths occurred every 16-38 days; over 9 million children died per year. Between 2000 and 2007, almost 70 million children died⁶⁴. Poverty, easily preventable diseases and illnesses, and other factors all contribute to the silent killer. Despite the magnitude of this daily ongoing calamity, it rarely receives, let alone sustains, prime-time news coverage. Another external aspect is collaboration between governments and international corporations. On international politics and poverty in third-world countries, Nelson said: that injustice and inequality in the countryside lead to unemployment and poverty. This in turn leads to a steady migration of the rural poor to urban areas. But few jobs await the poor. Investment decisions are made by private individuals and groups who are concerned with maximizing profits rather than employment. Alliances between elites in poor countries and foreign corporations effectively turn the human resources that are their biggest assets into social liabilities⁶⁵.

In the Nigerian case, the multinational corporations work hand in hand with the Nigerian government to exploit a poor country, rich in materials and cheap human resources. Look at the road construction, Nigerians are made to dig the cutters with their hands, and carry heavy objects, while their white counterparts will be supervising and issuing out commands; slaves in their land. This is pure neo-colonialism. The depleting condition of Nigerian economy is caused by the foreign exploitation and Nelson said: political independence did not bring an end to the economic exploitation of the majority in poor countries. Instead, distorted economic priorities have continued. While people in Europe and the United States and elites in poor countries may benefit, the situation of poor majorities worsens. It is within this context that foundations and the American government promote birth control, seeking to limit populations

is less threatening to American corporate interests than changes in economic priorities and structures⁷⁸.

The brains behind the Western government's corporate investments, economic aid, and technical transfer to Nigeria have only contributed to enriching a small proportion of Nigerians and foreign allies. The masses are left in their miserable state of poverty, and Spanier stated that they are sources of inexpensive raw materials to fuel western industry; they represent potentially sizable customers for western goods; and they provide opportunities for private capital investment at high returns. Capitalist economies, such as the United States, the foremost Western capitalist state, are continuously in need of profits; without them, unemployment would rise, living standards would fall, and the conflict between capitalists and those who work for them would recommence. It is discovered that self-interest is always a priority behind the international policy for supporting the developing countries. They want to make the world safe for maximum profit for their home countries and not so much a love for the poor nations. It explains why poverty is far from being alleviated, not to talk of being eradicated in the developing countries like Nigeria⁷⁹.

Obasanjo's privatization program exacerbated the situation. It could not reduce poverty. It merely contributed to the growth because the poor would be unable to purchase shares in the privatized enterprises. Their only share is that they will continue to provide cheap labor to private corporations. Obasanjo's privatization agenda was anti-poverty, as all of the rich enterprises were sold to wealthy Nigerians and international corporations, leaving the poor in wretched poverty. One would have assumed that the International Monetary Fund (IMF) and the World Bank might have made things simpler for Nigeria. These are the leading financial international agencies that are supposed to bail out countries of the world that find themselves in the woods, but it has done more harm than good in developing countries because of their

stringent policies surrounding these loans. When IMF or World Bank gives loans to developing countries they make sure that they get much out of it. The policies are sure that it is often very hard for a country that gets these loans to come out of the mess, but gets worse as Nelson says: creditors such as the International Monetary Fund and private banks have a vested interest in maintaining the integration of poor countries in the international free-enterprise system. Loans, therefore, attended to certain policies that ensure continued integration. First, poor countries must expand their exports, this means more emphasis must be given to exporting agriculture, and economic production, in general, is geared to international rather than domestic markets ... also, by reducing wages, a country becomes more attractive as a production site for foreign corporations that produce for export and capitalize on cheap labor. Finally, government spending for social services must be drastically cut⁸⁰.

All of this is feasible because developing countries, such as Nigeria, have no influence or control over the operations of the World Bank or the IMF, while rich countries hold approximately two-thirds of the votes. People say, "He who pays the piper, dictates the tune." These rich countries frequently make unilateral decisions without consulting the poor countries, regardless of whether the results are negative for them. To top it off, its devaluation frequently renders the local currency worthless and imports expensive. According to one expert, "deregulation allows foreign corporations to flood the local market with expensive imports while using their strong foreign currency to acquire inexpensive raw resources. The upshot is a rise in unemployment and poverty rates." And so, the Editorial of the Punch Newspaper is therefore right when it opined that IMF imposition of liberalization, privatization, removal of subsidies and expansion of tax-base on countries without due consideration of the unique socio-economic and political conditions each of the indebted countries have often aggravated poverty and misery. The Editor of the Newspaper further

warned the Nigerian government thus: We are certain that the latest IMF programme will adequately cater for the interest of the West; unfortunately, it may simultaneously promote unemployment, wretchedness, and social turmoil among citizenry ... If rich creditor countries are unmoved by the mass penury in Nigeria in their immoral quest for debt recovery, our government, in contrast, should be circumspect enough to know that the fragile socio-economic stability achieved in the country since last year may snap if put under undue strain at the behest of the IMF⁸¹.

Nigerians are glad that the debts have been canceled, but more debts are being incurred every day by both Federal and state governments, bringing the country to square one.

- **Internal Factors:** Several factors contribute to Nigeria's high level of poverty, including neglect of the rural population, environmental hazards, civil unrest, the pursuit of wealth, a corrupt political process, a large population, a rapid growth rate, sectionalism, the winner-take-all syndrome, and a lack of comprehensive education. Others include laziness and a lack of ethical standards in the workplace, a lack of openness, and mishandling of the nation's wealth. In Nigeria, the rural population has long been neglected in terms of rural infrastructure, while investments in health, education, and water supply have primarily benefited cities. The rural population has extremely limited access to amenities such as schools and health centers, and approximately half of the population does not have access to safe drinking water. Limited educational opportunities and poor health perpetuate the poverty cycle⁸².

The lack of rural infrastructure has also affected the profitability of producing for markets. Nigeria's rural road network is among the least developed in sub-Saharan Africa. The poor typically live in remote areas that might become nearly unreachable during the rainy season. When there is a post-harvest marketable surplus, it can be difficult to access markets. Limited

access has also prevented small-scale farmers from obtaining inputs, equipment, and new technologies. Farmers lack these inputs, which leads to low crop yields. In many parts of the country, farmers are struggling to cope with declining soil fertility due to a lack of fertilizer. The situation is aggravated by the fact that many farmers have access only to small parcels of land for cultivation⁸³.

Environmental hazard is another internal factor. As the population swells and puts pressure on diminishing resources, escalating environmental problems further threaten food production. Land degradation, as a result of extensive agriculture, deforestation, and overgrazing, is already at an alarming level in many parts of the country. Drought has become common in the North, while in the South and south-east erosion provoked by heavy rains, floods, and oil pollution is a major problem. Large parts of Nigeria's primary forests, and the wildlife that they harbour, are disappearing⁸⁴.

Civil unrest aggravates poverty. Poverty and violence are often closely interconnected. Both religious and ethnic tensions continue to brew in different parts of Nigeria, erupting into outbreaks of violence and leading in turn to a situation of escalating poverty and malnutrition. The move towards political liberalization has allowed militants from religious and ethnic groups to express their frustrations more freely and with increasing violence. Thousands have died over the past years in clashes between different ethnic and religious groups and separatist bids for independence. Since 1999, violence between Christians and Muslims has become increasingly common. Boko Haram has come with her devastating and destructive weapons destroying lives and properties, churches, and other institutions⁵.

In the Niger Delta, where the oil industry is based, a vigorous trade in stolen oil has led to a serious breakdown of law and order in that area. A number of acts of sabotage has been carried out against the multinational oil companies by groups seeking a greater share of the

oil resources for the Niger Delta population. The quest for wealth at all cost whether it entails killing, knapping, rigging elections, diversion or misappropriation of funds by privileged and opportunistic individuals, tribes, nationals, and multinationals with no regard for any kind of ethics or morale is a contributing factor for the increase of poverty in Nigeria. Therefore, instead of more and more people getting better economically, they are becoming worse off every day without any indication or hope of better future⁵⁶.

Another major cause of poverty in Nigeria is the corrupt political process in Nigeria. The nature and state of politics, and attitudes towards it by the populace is a matter of do-or-die affair and of winner takes-it-all kind of game, “where only the strongest in terms of wealth, position of power and the number of god-fathers in high places get elected or appointed into positions of power.” Unfortunately, in Nigerian politics, only the powerful in the ruling party (for instance in PDP today), not everybody in the party, enjoys the national cake, while supporters of the losing parties are reduced to beggars. In such a situation, the poor masses have little or no power at all. The ruling party takes the advantage of the poverty of the masses, to buy over the voters and bribe the electoral officers. This makes politics in Nigeria to be the monopoly of the rich and privileged. So it is difficult for any poor person to change status or his state of poverty. Since politics in Nigeria is associated with wealth or making money or becoming rich after taking political position, the poor have no money to get themselves elected; and the rich will not allow the poor to gang up or to be better economically because that will lead to sharing of power and resources with a lot more people⁴⁹.

Nigeria is fast growing with its population of people while its economy is not equivalently growing at the same rate. We have more consumers than the income. Nigeria rose from 102 million people in 1992 to 140 million in 2006. Is both the individual and national income

growing in proportion to the population growth? No, we have now more people than the income for the people. That is why we do not have enough social amenities, good roads, and food enough for the teeming population of Nigerians. Some local leaders benefiting from the multinational companies make eradicating poverty in Nigeria difficult if not impossible. According to Yamsat: the problem of Nigeria is not just the multinationals. Their home countries are at the forefront of the oppression of developing nations for their gains. The governments from the home country of these multinationals also work in collaboration with the local leadership of developing countries like Nigeria to design the wrong economic policy for the eradication of poverty. Such policy, instead of alleviating poverty, turns out in the long run to increase the number of poor in the country, worsening the situation of the poor and instead of making better the position of the already rich in the country and their allies outside the country¹⁷.

Yamsat mentions an instance of the Green Revolution of the early 1980s embarked on by President Shagari's regime which according to him was a re-incarnation of America's Green Revolution on Nigerian soil, which to Shagari's dismay did not change things for the poor Nigerians as it did for Americans. And so he lamented, "We are the victims of mass exploitation. It is unrealistic for the developed world to sustain their standard of living by buying our raw materials cheaply and selling us their manufactured goods at high prices determined unilaterally by them"²⁷.

The major issue here is that our leaders are afraid of these powerful outside individuals, multinationals. They fear that without satisfying them they would not be secured on their thrones. The aim of these economic aids is not in the real sense intended to eradicate poverty in developing countries, but rather to exploit the abundant resources in the country to further improve the standard of living of the developed countries and their few Nigerian allies. It is a

profitable business for them. This explains why Nigeria is becoming worse off with regard to poverty despite the numerous Non-Governmental Organizations and foreign companies committed to getting rid of poverty in Nigeria. It is unfortunate that more often than not, these NGOs end up enriching themselves rather than the poor they claim to empower³⁸.

Nigeria is a multiethnic country with hundreds of languages; therefore, if she wants to achieve economic progress that will eliminate poverty, there must be administrative and political cohesion. Power should not be fragmented along ethnic lines. But this has been Nigeria's experience since its amalgamation in 1914 and after its political independence in 1960 until today; a giant of Africa; a country endowed with natural and human resources, but whose people live in abject poverty, with many displaced and homeless as a result of ethnic wars, rivalries, and disasters that benefit, not the teeming majority, but the few big guns in the country and their overseas allies. So war and ethnic clashes have contributed meaningfully to the poverty of Nigeria¹⁹.

In the same line, the lack of unity and loyalty of the various segments of the country has also contributed in no small measure. There is a lot of selfish leadership resulting in unequal distribution of the nation's wealth. Our local and national political intrigues are also responsible for our poverty as many of our national policies are copyrights of policies of foreign nations. Our overseas counterparts encourage on us since they help to boost their economy and political security, rather than helping us to draw up policies that will address our local problems squarely. Once our leaders can satisfy the local political lords and the overseas lords they would be left to rule as many years as they want. More often than not, most of the ethnic clashes are as a result of one perpetuating himself on the throne¹⁹.

Our elite does not help matters either. They do not only mess up with politics at the national level but also destroy ties that bind together their local areas. They divide them on sectional

and ethnic grounds as they want the local government chairmen to emerge from their groups. They want also to control the local leaders; if they refuse they call them all sorts of names frustrating all efforts of the local leaders to develop their areas. In such areas, how can there be any development without peace? Unemployment, poverty, crimes, etc will increase and the few elites and powerful will continue to have everything at their disposal without a sense of guilt⁸⁰.

Lack of meaningful education is another cause of poverty in Nigeria. Many Nigerians do not study an educational course that will either earn them a job or provide them with skills at the end of their university education. Worse still, there is a syndrome that everybody must go to conventional schools. This makes it difficult to have enough artisan workers, etc. Laziness and lack of ethical work values play a major role in propagating poverty in Nigeria. Many Africans are known for laziness. They have nothing worthwhile doing and they are not humble enough to do menial jobs that would earn them some income. They are waiting for white-collar jobs that may not easily come⁸¹.

Lack of transparency and mismanagement of the nation's wealth by leaders is a cause of poverty in Nigeria. The discovery of oil in commercial quantity in 1958 in Nigeria led to the dependence on oil and gas as the main source of revenue for several decades. Agriculture and the manufacturing sectors have suffered serious neglect occasioned by over-dependency on crude oil. The former National Coordinator of Publish What You Pay observed and Ugulor said: sadly, oil has remained more of a curse than a blessing to most oil-producing communities in the Niger Delta region as over \$600 billion earned from oil revenue over the years has reinforced poverty, underdevelopment, environmental degradation and pollution, loss of livelihoods, diseases, pains, sorrow, deaths and crises²⁹.

Ugolor, on oil revenue, spoke on the need for transparency and accountability as a way out of poverty. He recalled that over the years that Nigerians have increasingly developed the habit of traveling overseas in search of greener pastures and this tendency is aided most emphatically by the sheer state of the Nigerian economy. At a point, this phenomenon was tagged the 'brain drain', that is a drift to the West by those who have acquired intellectual power and skill and put their great resources to the use of the foreign lands where they are domiciled. According to Ugolor, the shift to foreign lands by large number of Nigerians cuts across skilled and unskilled labour. In the days of the military regime, especially during the Abacha years that was tagged despotic and authoritarian, there was a great exodus of people particularly to the US and UK with some greater percentage going under the cover of seeking asylum to flee from a disintegrating economy. While we are not worried by this development, we are so much worried that the natural resources in Nigeria coupled with the talents, skills and intelligence possessed by Nigerians are insufficiently and inadequately applied to lift the nation to the desired peak the economy should attain if well managed⁷². The scholar further asserted that: transparency and accountability which are the key elements of good governance what the nation requires in all sectors of life in a bid to wipe out social vices, particularly corrupt practices that have been a great influence in robbing the good people of Nigeria of the comfort of life which the collective wealth of the nation should provide. There is no gainsaying the fact that the economy and political atmosphere in the country have decayed to such an extent that reforms being embarked upon by the President Yar'Adua administration will take a long time before they can make the desired impact⁵².

Nigeria should realize that what made other nations the centre of attraction and the pull that constantly draws Nigerians to desire to live in such havens is because of the commitment of the people and the leaders to apply diligent transparency and accountability in managing the wealth of those nations. The basic index of a stable and balanced economy includes a good

road network, health policy and hospitals that are efficient, access to potable water and sanitation, an educational system that is adequately planned, a constant power supply, a social welfare system, efficient transport mechanism, etc. Where a society is rich in all these, then that society is regarded as meeting the basic needs of its populace, and the law of reciprocity will be put to bear in the maintenance of law and order⁷⁶.

Nigeria, being a country God loves so much and endowed with abundant resources, its citizens deserve a good road network throughout the country, a workable and dependable health policy, a final answer to frequent and erratic power supply, good and reliable crime prevention, security and protection mechanism, quality education, etc.

2.1.6.3 Implications and Consequences of Poverty in Nigeria

Poverty has the effect of fostering social disillusionment about the goals of society and the roles that its members must play in achieving these goals. Poverty and ignorance can coexist because those who are impoverished are unable to think ahead or make plans beyond where their next meal will come from. Furthermore, there are significant ramifications in a nation or community where the majority of wealth is held by a small number of people. Since the rate of economic growth is dependent on investment through multiplier effects, economic growth would be slow and impeded in a society where the majority spends almost 90% of their income on consumption and has little to nothing saved for future use. This means that the group of people affected would not participate effectively in the process of development of that nation. In other words, poverty is a vicious cycle reproducing itself in perpetuity, and education, household size, occupation, employment, shelter, income, and social infrastructural facilities such as health facilities, roads, electricity, good schools, accommodation, and water can be linked to the occurrence of poverty²⁵.

Therefore, any attempt to improve these factors will be a step in the right direction in alleviating poverty in Nigeria as a whole. Restructuring, if not redesigning, the government's Poverty Alleviation Programme with a focus on the "basic needs" approach is necessary. This strategy highlights how crucial it is to distinguish between a broad gain in income and the more important fulfillment of the conditions necessary for a long-term decrease in poverty through the provision of water supply, sanitary housing, health services, education, and proper nutrition. This strategy is based on the assumption that direct provision of these goods and services will likely alleviate absolute poverty more quickly than alternative approaches since growth strategies typically fall short of the desired outcome and the primary means of generating income and productivity for the impoverished are the direct provision of health and education facilities.

In the same vein, no guarantee that increased income will be spent on essential services, since households vary in their ability to spend wisely and effectively. They may irrationally prefer 'better' consumption goods that contribute less to family welfare than other goods that might serve as inputs to higher productivity⁸².

The emergency of the prosperity gospel in the churches today is an indication that poverty is very high even in the churches. The majority of church members are unable to make three square meals a day and where some make it, it is not a balanced diet. Most Christians cannot send their children to good schools to receive good and quality education and majority are not in good employment. Those of them in business are only in petty business; those of them in farming, may not produce enough for their families throughout the year⁴⁷.

Since the members are poor; their clergy must be poor as well. This is one of the reasons why clergy in the country do not speak out against the oppressing rich but are silent over the national and international policies. In the words of a scholar, "it is difficult for the clergy who

has no bread for the family to be prophetic in his preaching and to fight the cause of his teaming poor members. This makes the poor still poorer, spiritually, economically and politically.” How can a pastor speak out against the rich and powerful from whom he gets the cramps that fall from their tables? The situation seems hopeless, but still the “answer still lies with the church, because it has the word that gives life and gives abundantly”⁵⁴.

2.1.7 Financial Inclusion

Financial inclusion is often understood as giving people without access to financial products microcredits, insurance, or microsavings accounts. There are many requirements for financial inclusion that must be met. Access, availability, and utilization of a legitimate financial system by all individuals and participants in an economy constitute financial inclusion. According to a scholar, financial inclusion is a subset of social inclusion, which is the ability for participants in an economy to actively participate in social and economic progress for both personal and professional gain¹⁹. According to some academics, financial inclusion is a state of the economy in which businesses and individuals have equal access to fundamental financial services and products. Remittances, payments, savings accounts, and insurance services are examples of these services. According to this criteria, any financial inclusion tool must be both feasible to use and inexpensive for the borrowers who are excluded. Additionally, it need to guarantee a gradual decrease in reliance on unofficial moneylenders as well as a seamless transition into the official banking system⁷⁸.

The World Bank distinguishes between voluntary and involuntary exclusion in this context because some economic actors may actively choose to exclude themselves from the financial system rather than utilize financial services. This could be because there is no particular necessity for their use, or it could be because using specific financial items is prohibited by their culture or religion. Conversely, instances of involuntary exclusion may arise due to a

high-risk profile, inadequate income and wealth of the client, or due to flaws in the market. Certain academics contend that suitable initiatives can tackle the problem of involuntary exclusion and rectify defects and shortcomings in the market²⁰. Due to the significantly lower density of bank branches in rural areas compared to urban areas, financial exclusion is typically more prevalent in the former. Residents find it more difficult to reach bank branches due to their greater distance from one another. Additionally, banks find rural areas unappealing due to the lower degree of economic activity and the opportunity for profit in those places. Additionally, several academics have noted that in distant locations, there is typically a lower level of education and, consequently, a lower degree of financial literacy; as a result, clients are less inclined to use financial goods¹². Former research has also shown that financial services are typically not offered due to an inconvenient regulatory framework or an inflexible product structure.

Additionally, several researchers examined national attributes that can affect financial accessibility. According to his evaluation, financial access is greatly reduced by factors including population density, age dependence ratio, and aid as a percentage of gross national income (GNI). His research indicates that the quality of institutions and mobile phone subscriptions are the two factors that greatly boost financial access^{28,29}. Different financial inclusion indices have been developed by scholars to quantify financial inclusion. One illustration is the composite indicator developed by certain researchers, which takes into account factors like quality, utilization of deposit and lending financial products, and geographic and demographic coverage. The latter includes evaluations of disclosure obligations, ways to resolve disputes, and usage costs, such interest payments⁵⁶. The percentage of adults in a certain economy who have access to formal financial intermediaries is another, far more straightforward, measure of financial access, according to a researcher. If there is no information available on a person's financial accessibility, the indicator is

generated using bank account numbers². Some scholars use the broader concept of financial development and the measure of private credit, which is the fraction of private sector credit over the GDP. Private sector credit does not include credits by the central bank or by development banks and captures the transformation of credit by savers through banks to private firms¹⁴.

The concept of financial inclusion can be classified as part of financial development in general. In a study, a scholar states that financial contracts, markets, and intermediaries are needed because of the costs of making transactions, enforcing contracts, and acquiring information. Throughout history, various types and combinations of transaction costs, information, and enforcement, together with various legal, regulatory, and regulatory systems produced different financial contracts, markets as well as intermediaries in different countries. Also, the development of bond and stock markets, as part of the financial development, may greatly change the extent and the products people use to allocate their savings¹⁹.

According to academics, reducing market frictions naturally leads to the distribution of resources throughout time and space. The introduction of banks alters the distribution of loans by providing better company information. Furthermore, investors' confidence in companies' ability to repay loans will increase as a result of financial contracts. This will therefore probably have an effect on how people decide to divide their savings¹⁹. There are various ways of how to classify the functions provided by the financial system. Some scholars distinguish six core functions: The financial system provides means to clear and settle payments that facilitate trade, to pool resources, and therefore to subdivide shares in firms and to provide ways to manage risk. It also provides ways to transfer economic sources across time, borders, and industries, it provides price information and it provides means of how to solve incentive problems²⁰.

A researcher focuses on these five functions: the first two are supplying potential investment information in advance; the allocation of financial resources and investment monitoring; and the implementation of corporate governance post financing. Financial systems promote savings mobilization and pooling, trade, diversification, and risk management, as well as the exchange of goods and services¹⁹. These fundamental financial functions are offered by all financial systems, but the quality of these services varies greatly. Therefore, when financial instruments, markets, and intermediaries perform those tasks better, financial progress occurs. Decisions about savings and investments may be influenced by each of the aforementioned purposes^{19,20}.

Therefore, the development of the financial sector occurs when financial intermediaries, instruments, and markets mitigate the effects of information, enforcement, and transaction costs and thereby better enable the financial sector's essential tasks within the economy. As per the World Bank, it is imperative to accurately gauge financial development in order to appraise the progress of the financial industry and comprehend its impact on economic expansion and the mitigation of poverty. However, because financial progress is such a vast concept with many facets, it is challenging to quantify in reality⁸⁸. Some scholars develop a framework which identifies four sets of proxy variables characterising a well-functioning financial system: financial depth, access, efficiency, and stability. In this context, financial depth is the size of financial institutions and markets and financial access is the extent to which people can and also make use of financial services. Efficiency represents the efficiency of financial intermediaries and markets when facilitating transactions and providing means to intermediate resources and stability is the stability regarding financial institutions and markets⁸⁹.

It can be seen that the concept of financial inclusion is part of the broader concept of financial development. In particular, financial inclusion is one dimension of financial development, since it considers rather the access, availability, and usage of financial products and services.

2.2 Theoretical Framework

2.2.1 Financial Inclusion Theory

The term "financial inclusion" gained more prominence in the early 21st century with efforts to ensure that individuals and communities, particularly those in low-income and underserved areas, have access to affordable and appropriate financial services. These services include savings accounts, credit, insurance, and payment systems. While there is no single person or year associated with the development of financial inclusion theory, it has evolved as a response to the challenges of financial exclusion and the goal of reducing poverty and improving economic well-being for all. It has since become a cornerstone of global development and economic policy^{12,88}.

Financial inclusion theory primarily aims to promote access to a wide range of financial services and products for individuals and communities, particularly those who are traditionally underserved or excluded from the formal financial system. It emphasizes expanding financial access to low-income populations, promoting savings, credit, insurance, and payment services. The goal is to ensure that people have the opportunity to participate in the formal financial sector, which can lead to improved financial well-being and reduced poverty. It places a strong emphasis on reducing financial exclusion, which occurs when individuals lack access to basic financial services due to economic, social, or geographical barriers. Financial inclusion efforts seek to bridge these gaps and bring individuals into the formal financial system. Financial inclusion theory is especially pertinent in addressing issues related to poverty, income inequality, and social inclusion. It aligns with goals such as

achieving the Sustainable Development Goals (SDGs), particularly Goal 1, which aims to end poverty⁸⁹.

This theory underpins the topic as it emphasizes the importance of providing financial services, such as microcredit, to low-income individuals and communities. Financial inclusion theory asserts that broadening access to financial services, particularly among underserved and marginalized populations, can have profound positive impacts on economic development and poverty reduction. By providing individuals and communities with access to savings accounts, credit facilities, insurance products, and payment systems, financial inclusion seeks to empower people to manage their finances more effectively, invest in income-generating activities, and build assets over time⁸⁹. Financial inclusion is seen as a means of fostering economic opportunities, as it enables individuals to access credit for entrepreneurial ventures, smoothing consumption patterns, and accumulating savings for future investments. Moreover, by bringing previously excluded groups into the formal financial system, financial inclusion can reduce reliance on informal financial services, which often carry higher costs and greater risks for users¹².

In the context of developing countries like Nigeria, where large segments of the population remain unbanked or underbanked, financial inclusion is regarded as a critical strategy for promoting inclusive growth and poverty reduction. By expanding access to financial services among low-income individuals, women, rural communities, and other marginalized groups, financial inclusion initiatives aim to create pathways for economic empowerment and social inclusion, ultimately contributing to broader socio-economic development objectives.

2.2.2 Institutional Theory

Institutional theory emphasizes the importance of regulatory frameworks, organizational structures, and cultural norms in shaping banking practices and outcomes. Institutions, both

formal (such as regulatory bodies and banking regulations) and informal (such as cultural norms and social expectations), significantly influence the behavior and performance of banks within the financial system. Regulatory frameworks play a crucial role in defining the rules of the game for banks, setting standards for capital adequacy, risk management, consumer protection, and market conduct. Well-designed and effectively enforced regulations can promote financial stability, market integrity, and consumer confidence, thereby fostering a conducive environment for banking operations and promoting sound banking practices⁹⁰.

Organizational structures within microfinance institutions, including governance mechanisms, management systems, and internal controls, also shape their behavior and performance. Efficient organizational structures facilitate decision-making processes, risk management practices, and operational efficiency, enabling banks to serve their customers and fulfill their socio-economic mandates effectively. Cultural norms and social networks within the banking industry and wider society also influence banking practices and outcomes. Trust, reciprocity, and social capital are essential elements in fostering relationships between microfinance banks and their clients, facilitating access to financial resources, and promoting financial inclusion. Understanding and navigating the institutional landscape is crucial for banks seeking to operate effectively within diverse socio-cultural contexts and achieve their poverty alleviation objectives⁹¹.

2.2.3 Social Capital Theory

Social capital theory highlights the importance of social networks, trust, and relationships in facilitating access to financial resources and opportunities. Social capital refers to the networks, norms, and trust that enable individuals and communities to collaborate, cooperate, and exchange resources for mutual benefit⁹².

In the context of banking and financial services, social capital plays a crucial role in enabling individuals to access credit, savings, and other financial products. Informal social networks, such as family ties, community associations, and peer groups, serve as channels for information sharing, resource mobilization, and collective action, facilitating access to financial services among underserved populations. Trust and reciprocity are central components of social capital, influencing individuals' willingness to engage in financial transactions and interact with financial institutions. Trust in banking institutions, government policies, and regulatory authorities is essential for building confidence and credibility within the financial system, encouraging savings mobilization, and promoting financial inclusion^{92,93}.

Furthermore, social networks and relationships serve as channels for disseminating financial knowledge, fostering financial literacy, and promoting responsible financial behavior. By leveraging existing social capital and strengthening social networks, banks can enhance their outreach efforts, build customer loyalty, and improve the effectiveness of their poverty alleviation initiatives⁹³.

Overall, social capital theory underscores the importance of understanding the social dynamics and relational networks that underpin access to financial resources and opportunities, informing strategies to promote financial inclusion, trust, and social cohesion within banking systems and broader socio-economic contexts^{92,93}. This is essential because social capital theory highlights the significance of trust and reciprocity in facilitating economic transactions and fostering cooperation within communities. In the context of banking systems, trust is a fundamental component of financial inclusion, as individuals must have confidence in financial institutions and their ability to safeguard their assets and provide reliable services. By understanding the mechanisms through which trust is built and

maintained within social networks, policymakers and practitioners can design interventions to strengthen trust in banking systems and promote broader financial inclusion⁹³.

Also, social capital theory emphasizes the role of social networks and relationships in shaping access to resources and opportunities. In many contexts, individuals rely on informal networks of family, friends, and acquaintances for financial support, advice, and access to credit. Understanding the structure and dynamics of these networks can inform strategies to enhance access to formal financial services among marginalized and underserved populations. By leveraging existing social networks and relationships, financial institutions can extend their reach and better meet the needs of diverse communities⁹³.

Additionally, social capital theory underscores the importance of social cohesion and collective action in promoting economic development and resilience. Strong social ties and networks of mutual support can enable communities to pool resources, share risks, and mobilize collective action to address common challenges. In the context of banking systems, fostering social cohesion can enhance financial resilience and mitigate the impact of economic shocks and crises. By promoting social cohesion and collective action, policymakers and practitioners can create more resilient and inclusive banking systems that benefit all members of society⁹³.

Furthermore, social capital theory highlights the role of social norms, values, and institutions in shaping economic behavior and outcomes. Cultural factors, such as attitudes towards saving, borrowing, and risk-taking, can influence individuals' financial decisions and behaviors. Understanding these cultural dynamics can inform the design of financial products and services that are responsive to the needs and preferences of diverse cultural communities. By aligning financial systems with cultural norms and values, policymakers and practitioners can enhance the relevance and effectiveness of financial inclusion initiatives⁹³.

2.3 Review of Empirical Studies

Microfinance has a significant impact on socioeconomic factors, including economic performance, income level, consumption expenditure, savings, and occupational status. Studies have shown that microfinance services, such as microcredit and financial access, contribute to poverty reduction and financial inclusion¹². Microfinance interventions enable people from lower-income groups to access microcredit and invest in productive activities, leading to economic transformation and improved livelihoods. Additionally, microfinance institutions play a crucial role in enhancing the economic status of clients by providing financial and non-financial services. However, it is important for microfinance institutions to focus on effective microcredit applications and support the development of micro-businesses to further empower clients and improve their economic status. Overall, microfinance interventions have the potential to alleviate poverty, generate income, and improve the socioeconomic conditions of individuals and communities¹².

In a study, the scholar analyzed the empirical correlation between microfinance and poverty alleviation in Bangladesh. The findings revealed that there is a significant relationship between microfinance and poverty reduction; there is a significant difference between microfinance and traditional rotating system; there is significant difference between loan repayment by the women and poverty reduction and significant difference between microfinance and the status of women in Bangladesh. It argues that while microfinance has developed some innovative management and business strategies, its impact on poverty reduction remains in doubt. Further, determining how microfinance can be used as an important vehicle to make an even larger and more critical contribution to alleviating poverty is in need of more careful assessment⁹⁴.

A scholar investigate the influence of micro finance on poverty reduction, the study argues that microfinance can be considered an important element for an effective poverty reduction strategy. It shows that access and efficient provision of microcredit can enable the poor to smooth their consumption, better manage their risks better, gradually build their assets, develop their micro enterprises, enhance their income earning capacity, and enjoy an improved quality of life. Microfinance services can also contribute to the improvement of resource allocation, promotion of markets, and adoption of better technology; thus, microfinance helps to promote economic growth and development. Also the characteristics of financial systems in developing counties will be discussed and argued that formal financial sector is not consistent with the needs and requirements of the poor and the existence of informal financial sector is a response to the shortcomings of the formal financial sector⁹⁵.

A study examines the effect of microfinance on poverty alleviation in Pakistan using district-level panel data. The study conducted fixed effect panel regressions to show a statistically significant positive impact of microfinance on household income, ownership of household assets, education, and expenditure. These results suggest that the development of microfinance is an efficient tool for both welfare improvement and poverty alleviation in Pakistan⁸.

The impact of microfinance loans on poverty reduction is a major concern to the economy. Many countries have conducted research on this topic, such as a study conducted by some scholars on the long-run relationship between microfinance inclusion and poverty alleviation in Nigeria from 1990 to 2018, which used the Engle-Granger two-step cointegration and autoregressive distributed lag (ARDL) techniques. Gross domestic product (GDP) per capita is a proxy for poverty reduction. Microfinancial inclusion is measured by the number of microfinance banks, borrowers from microfinance institutions, commercial bank branches,

commercial bank loans to small firms, and the broad money supply ratio. The findings suggest a long-term association between microfinance inclusion and poverty alleviation¹².

A scholar studied the performance of microfinance institutions (MFIs) and their impact on promoting economic development in Nigeria using the error correction model. The OLS was used for long-run analysis following findings from the cointegration result that established the existence of a long-run equation. The study found a positive relationship between human development index and microfinance loans³⁴. A scholar studied the nexus between microfinance banks and the growth of micro, small, and medium enterprises in Nigeria. Research design method of a self-administered questionnaire to respondents was adopted for the study. The respondents comprise the microfinance banks' management and staff and micro, small, and medium business entrepreneurs, in Lagos State, the commercial hub of Nigeria. The findings showed that a significant positive relationship exists between microfinance banks, proxied by Small Scale Financial Services (SSFS); Financial Sustainability (FST); Absence of Assets-based Collateral (AAC); and Advisory Services (ADS) and the growth of micro, small and medium enterprises in Nigeria⁷². Some scholars examined the determinants of financial inclusion and further estimated the impact of financial inclusion on poverty reduction and income inequality. Using fixed effect estimation method, the study revealed that per capita income, age dependency ratio, ratio of internet users, inflation as well as income inequality significantly affect the level of financial inclusion in emerging markets. The paper further revealed that financial inclusion reduces poverty rates and income inequality significantly in developing economies. Also, some scholars investigated the effect of financial inclusion on poverty using 45,000 households in India. The study revealed that there is a negative relationship between financial inclusion and poverty, implying that financial inclusion reduces poverty⁶¹.

Some scientists investigated the impact of microfinance organizations on poverty reduction and entrepreneurial activity in Nigeria. The study used a survey research tool, administering questionnaires to 200 micro and small-scale businesses in Ikpoba Okha Local Government Area, Edo State, Nigeria. The findings revealed that microfinance institutions and poverty alleviation were favorably and significantly associated, while entrepreneurial activity and poverty reduction were positively and insignificantly related⁷². A scholar examined the impacts of financial inclusion on poverty reduction in India. The study used an unbalanced panel dataset from India using a generalized method of moments (GMM) estimation to estimate the effect of financial inclusion on poverty ratios for public sector banks and financial deepening for private sector banks. The study revealed that financial inclusion as well as financial deepening is statistically inversely related to the poverty ratio for public sector banks, but not for private sector banks^{72,73}.

Some researchers investigated the influence of Rima Microfinance Bank on beneficiary income and poverty in the Goronyo Local Government Area of Sokoto State, Nigeria. The sample was drawn using a multistage sampling process, with data collected using a structured questionnaire. The findings demonstrate a considerable reduction in poverty depth⁷⁴. Some experts investigated the impact of microfinance bank policy on rural development in Kwara State, Nigeria. The results of the regression analysis demonstrated that there is a positive association between the adoption of microfinance banks and its policy objectives of savings culture, supply of investment loans, and employment possibilities in rural areas of Kwara state at a 5% level⁸. Some scholars investigated the relationship that exists between financial inclusion and poverty reduction considering the moderating effects of microfinance in Nigeria. Using a simple random sampling technique. The results from the Partial Least Square (PLS)-Structural Equation Modeling (SEM) show a significant positive effect of financial inclusion on poverty reduction. A scholar empirically examines the impact of

microfinance banks on poverty alleviation in Nigeria, The study covers a period of 25 years (1992 to 2016). The correlation coefficient and the ordinary least square (OLS) econometric technique were used for the empirical investigation. The results from the empirical analysis reveal that microfinance assets and loan-to-deposit ratio are major determinants of poverty alleviation in Nigeria⁷⁸.

Some experts looked at the impact of microfinance institutions on a country's economic growth, using Nigeria as a case study. Given the cross-sectional and time series nature of the data, multiple regression analysis is used in the study. This model uses time series secondary data from 1992 to 2012. The study's findings suggest that microfinance loans have a considerable positive impact on the short-term economic performance in Nigeria⁴.

A scholar studied the impact of microfinance banks on economic growth in Nigeria from 1992-2013 using an error correction model. The results of the study showed that MFB loans and domestic investment have a positive significant effect on the growth of Nigeria's economy built on the enormity and the level of significance of the coefficient and p-value besides, a relationship exists, in the long run, between MFB loans, investment and economic growth in Nigeria. The findings imply that MFBs have to increase loans extended to business enterprises to generate commensurate economic growth. Some scholars examined a decade of microfinance banking operations in Nigeria and its impact on economic development spanning from 2005 to 2014 using Deposits and Loans to proxy Microfinance bank operations while the Human Development Index (HDI) was used as a proxy for economic development. The study showed deposits as a key driver of MFB operations and positively contribute to economic development, while loans showed a negative contribution which might be caused by high interest rates, diversions, and harsh economic conditions that make loan customers have problems in loan repayments⁷³.

Some scholars explored the contribution of microfinance banks to the development of small and medium-scale enterprises in Nigeria, and the result showed that MFBs contribute considerably to an increased enterprising environment by creating a conducive business environment and enhancing accessibility to finance for small businesses. Variables like loan size, loan duration (financial variables), and networking meetings (non-financial variables) were found to have a positive impact on SMEs⁷⁴. Some scholars investigate microfinance banks and poverty reduction nexus in the South-West Zone of Nigeria. Employing descriptive statistics and Binary Logit Regression Model, the empirical results indicate that microfinance loan significantly impacts positively on the loan beneficiaries and hence, poverty reduction⁷⁵.

Some scholars investigated the impact of microfinance on poverty alleviation in Nigeria. The researchers used a questionnaire as an instrument to collect data. The study centered on two broad variables: poverty alleviation as the dependent variable and microfinance loan disbursement as the independent variable. The study reveals that (i) there is, a significant difference between those people who use microfinance institutions and those who do not use them; (ii) there is a significant effect of microfinance institutions in alleviating poverty by increasing income and changing the economic status of those who patronize them and (iii) that there is a significant effect of microfinance activities in predicting sustainable development⁷⁶.

A study examined the effect of microfinance on poverty reduction for about 596 microfinance banks in 57 emerging economies for the period 2005 to 2011. Employing the panel data analysis, the empirical findings revealed that an economy with higher microfinance institutions' gross loan portfolio per capita tends to reduce poverty levels among the people. This is an indication that microfinance banks can effectively alleviate

poverty in these countries⁷⁷. Some scholars examined the impact of microfinance Bank's credit facilities on micro small and medium enterprises in reducing poverty level and achieving rapid economic growth in Nigeria. Employing the survey and descriptive research designs on five microfinance banks and three (CICSS) in the rural, semi-urban and urban centers, the empirical results revealed a strong positive impact of microfinance credits and financial services on poverty reduction or low income group as well as micro, small and medium scale enterprises in Nigeria⁷⁷.

Some experts assessed microfinance's impact on Nigerian economic growth, focusing on its primary function in poverty reduction and small-scale firm funding. Deposit Liabilities, Loans, and Advances of Microfinance Banks were utilized as proxies for microfinance institutions' activities in Nigeria, whereas GDP was used as a proxy for economic growth. Using the Ordinary Least Squares approach, they discovered that assets and deposit liabilities have no substantial impact on economic growth, however loans and advances to the public do. Thus, the overall relevance of the model demonstrates that the operations of microfinance banks cannot be overemphasized in the pursuit of sustained economic growth in Nigeria⁹⁹. The scholars studied the impact of microfinance on the growth of small and medium enterprises (SMEs) in Nigeria, and found that financial services offered by the MFBs have favourable significant impact on MSEs growth while loan has a favourable impact on SMEs growth but not statistically significant. That is, the loan tenure is too short to show a significant impact on the SMEs growth. They also found that high interest rates, collateral, and frequency of loan repayment could paralyze the growth of SMEs in Nigeria⁹⁹.

Some scholars also conducted a study on the role of MFBs in rural transformation and development in Nigeria and explained the performance of MFBs and the risk they are exposed to across various size categories of the institutions. They found that MFBs were

generally profitable over recent years. However, the small-size MFBs seem to have significant operating inefficiencies¹⁰⁰.

A scholar examines the impact of access to credit and other specific microfinance banks' related variables on selected SMEs located in Osun State of Nigeria. Using the descriptive statistics on primary and secondary data, the empirical analysis indicates a significant positive impact of microcredit delivery services on SMEs' performance¹⁰¹. In another related study, some scholars examine the effectiveness of microfinance banks in eradicating poverty in Nigeria, using descriptive statistics on primary data involving 382 respondents for 3 Senatorial districts in Imo state¹⁹. The empirical results revealed that the high-income class can save the poor living in rural areas.

A researcher studied the effects of microfinancing on micro and small enterprises (SMEs) in South West Nigeria using Diagnostic Test Kaplan-Meier Estimate, Hazard Model, and Multiple Regression Analysis. The study indicates that microfinance enhances the survival of small businesses in South West Nigeria; that microfinance does not enhance the growth and expansion capacity of MSEs in Nigeria; that microfinance impacts significantly on the level of productivity of MSEs operators in South West Nigeria and that the provision of non-financial service by microfinance institutions enhances the performance of micro and small enterprises (MSEs) in South West Nigeria⁵⁶.

A scholar attempts to investigate the contributions of microfinance banks to Nigeria's economic growth and employs credits disbursed by microfinance institutions as a proxy for their operational activities. The study employs the Ordinary Least Squares (OLS) regression technique and finds a weak, though positive relationship between Nigeria's microfinance banking operations and the nation's economic growth⁸⁸. A study empirically examined the effect of microfinance credit on poverty reduction in Nigeria. Using the chi-square test, F-test,

and T-test, the results showed that there is a significant difference between those who used microfinance banks and those who do not use them. Thus, microfinance institutions significantly influenced poverty alleviation by increasing income and changing the economic status of those who patronize them⁹¹.

A study systematically assessed the impact of the microcredit in poverty reduction. A systematic search for quasi-experimental, observation and comparative studies published between 2008 and 2018 was conducted in five literature databases, lists of relevant studies and websites. Both qualitative and quantitative studies were included in the review and their quality assessed. Inclusion criteria were met by twenty studies. These studies showed how microcredit influences poverty reduction among petty traders who are beneficiaries of microcredit. Among these studies, fourteen focused on microfinance and poverty reduction and seven dealt with microcredit and poverty alleviation. Most studies were quantitative, eight had mixed methods and one had a qualitative analysis. Among the included studies, nineteen supported the hypothesis that microcredit contributes to poverty reduction and only one study objected to this hypothesis. While the findings of this review have revealed that microcredit is a strategy for poverty reduction, there are some challenges that hinder the accessibility to microcredit. This calls for government actions to review its microcredit policy⁴⁷.

A study examined the impact of microfinance banks on poverty alleviation in selected Local Government Areas of Oyo State. The respondents' standard of living was investigated, and the degree to which women had benefited from microfinance bank operations as well as the correlation between loan size and standard of living were assessed. Three Local Government Areas were chosen for the study utilizing stratified and purposive sampling methods. 150 microfinance bank clients were chosen. Foster Greer Thorbecke's Matching Framework

Analysis and Partial Correlation were used to analyze the primary data. The respondents' poverty index dropped from 0.1668 to 0.1551 after loans were collected, according to the results, suggesting that microfinance institutions had a favorable effect on their level of living. Between 2007 and 2010, women benefited from microfinance banks to varying degrees (65% to 74%). The result indicated that women are increasingly benefitting from microfinance activities in contrast to yester years when there was gender disparity skewed against women. Moreover, the relationship between size of loan, asset acquisition and profit after loan were positive and significant with $P = 0.085$ and $r = 0.152$, this revealed that as the size of the loan increases, asset acquisition and profit also increase. It was suggested that in order to improve customers' quality of life and so reduce poverty, the amount of loans that are extended to them should be increased. In order for microfinance banks to provide loans to their clients, they ought to promote the establishment of cooperative organizations¹⁰³.

A study offers a critical evaluation of the contribution of market-based strategies to the fight against poverty in developing nations. Specifically, the author conducts an ethnographic study of three Bangladeshi villages to analyze the effect of microfinance in reducing poverty. A strategy that is gaining traction is microfinance, which tries to reduce poverty by giving the underprivileged new chances for entrepreneurship. It also seeks to strengthen social capital in underprivileged areas and encourage empowerment, particularly among women. But the results paint a different picture. Results showed that microfinance increased the amount of debt in already destitute areas and made them more vulnerable to economic, social, and environmental problems. Our findings contribute to the emerging literature on the role of social capital in developing entrepreneurial capabilities in poor communities by highlighting processes whereby social capital can be undermined by market-based measures like microfinance¹⁰⁴.

The mechanism of the microcredit program for poverty alleviation on the income of low-income households was examined in order to quantify the impact of the policy's execution. Next, the study examined its impact on the production income of these low-income households through an empirical test utilizing the propensity score matching approach and micro-survey data. The findings demonstrate that microcredit for poverty alleviation has a favorable impact on low-income families' production income, especially those that are impoverished owing to a lack of resources and low-income households headed by women. Therefore, we should continue to implement the poverty alleviation microcredit policy and establish relevant supporting measures, such as strengthening agricultural production capital subsidies, increasing agricultural production insurance, further improving the implementation efficiency of the poverty alleviation microcredit policy, and increasing the income of poor households¹⁰⁴.

Some scholars examined the nexus between microfinance banks and economic growth in Nigeria from 1992-2008. They employed pooled and ordinary least-squares regression techniques in analysing their data. The result from the analysis revealed that loans and advances from microfinance banks positively influence the output of manufacturing, building and construction, mining, and quarry sectors of the economy but negatively impact the agricultural sector. They summed up their study by saying that microfinance banks are very significant as their contribution to critical sectors of the economy helps to fast-track the development of the economy¹⁰⁵.

Some scholars examined the contribution of microfinance institutions to the socioeconomic development of rural communities with a focus on eight microfinance banks in the Syangja district of Nepal. Adopting quantitative research design, the result revealed that microfinance significantly contributes to the development of rural communities in Nepal¹⁰⁶. A scholar

studied microfinance banks and economic growth in Nigeria from 1992-2013. They employed the ADF unit root test, co-integration test, error correction model, and parsimonious test. The results from their estimation revealed that microfinance bank loans and domestic investment positively influence the growth of Nigeria's economy. Some scholars examined microfinance institutions and economic growth in Nigeria from 1992-2012. Using multiple regression analysis, the findings of their study revealed that microfinance loans in the short run have a positive and significant impact on Nigeria's economy but the reverse in the long run¹⁰⁷.

Some scholars examined the relationship between microfinance banks and the economic growth of Nigeria from 1992-2016. The study used both descriptive and inferential statistics in analyzing the time series data. It was revealed from the result that growth in microfinance bank credit and microfinance bank investment has a significant but inverse relationship with economic growth, while microfinance bank deposits and microfinance bank assets have a direct and significant relationship with economic growth¹⁰⁸.

Some scholars look at the effect of financial inclusion on poverty, by taking the income growth of the lowest income share as well as the headcount growths of people living on less than 1 USD per day as the dependent variable. The variable for financial inclusion is measured by the share of private credit over the GDP. They found a significant positive relationship between private credit and poverty alleviation. Further than this, they also found a disproportional benefit of financial inclusion for the poor compared to the rich, resulting in lower income inequality¹⁰⁹.

A study shows that households with access to financial products and services are enabled to invest in activities contributing to a higher future income and, as a consequence, to growth. Even in the poorest income groups, borrowing and saving decisions take place for a variety of

investment purposes⁸³. Other researchers analyse if the state-led expansion of rural bank branches in India hurt poverty. They find a robust negative impact of newly opening bank branches in rural and unbanked areas in India with rural poverty rates in those locations¹¹⁰.

According to a researcher, the primary formal financial services include insurance, payments, remittances, savings accounts, loans, and payments. Without access to these official services, people frequently rely on expensive unofficial financial sources. People with low incomes are therefore likely to bear a heavy financial burden as a result of financial exclusion¹¹¹. A few academics examine the uptake, application, and consequences of mobile money in Kenya. Their conclusions are based on an anthropological study conducted in the Kibera slum in 2007. They discover that receiving remittances has increased the incomes of rural mobile money owners and led to households conserving more money¹¹².

In a similar vein, other researchers use country-level data from 1988 to 2007 to examine the impact of financial inclusion and information and communication technology (ICT) on growth in Africa. Their research focuses on how the adoption of mobile phones affects economic growth, particularly via the avenue of financial inclusion made possible by mobile phone advancements. The findings demonstrate that ICT—including the development of mobile phones—contributes significantly to Africa's economic expansion. In this case, the positive impact of mobile phone development on economic growth is largely due to financial inclusion¹¹³.

In addition, several researchers examine how giving financial goods to low-income people affects their employment, level of entrepreneurship, and income. They quantify such effects during the opening of Banco Azteca in Mexico using a difference-in-difference technique and cross-municipality cross-time variation. This bank targeted low-income communities when it launched more than 800 branches in a single year in 2002. According to their research, during

the course of two years, the number of unofficial enterprises grew by 7,6% and the employment rate climbed by 1.4%. In other words, including low-income people promotes economic growth¹¹⁴.

Additionally, several academics evaluate financial inclusion and economic expansion in Tanzania. They discovered that the GDP, which measures economic growth, will considerably reflect the increase in the number of people with access to financial services. But faster economic expansion does not always mean that financial inclusion will reduce poverty¹². Furthermore, a researcher discovers in his research that increased financial inclusion will significantly reduce farmers' debt, which is one of the main causes of farmer suicides⁸⁶. In a similar vein, researchers studying rural banks in Malawi discover that greater financial inclusion via commitment savings accounts enhances the availability of funds for the use of agricultural inputs and, thus, enhances the welfare of impoverished households¹¹⁵.

Using data from 160 nations, an academic evaluated the cross-national relationship between financial access and poverty and found that financial access considerably lowers poverty. But his finding can only be considered true if financial access is the only regressor; otherwise, the significance is diminished by the inclusion of other variables as regressors. Furthermore, several researchers discovered a detrimental impact of financial inclusion on poverty in Nigeria⁷³.

A few academics evaluated the connection between poverty and financial inclusion in Peru. According to their research, financial inclusion has a negligible but completely eradicates impact on many indicators of poverty. Three distinct measures of poverty were used in the study: a poverty gap index, poverty severity, and poverty occurrence. However, information and communication technology, such as the internet, has a greater influence on reducing poverty in Peru due of its coefficients^{116,117}.

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2.4 Conceptual Model

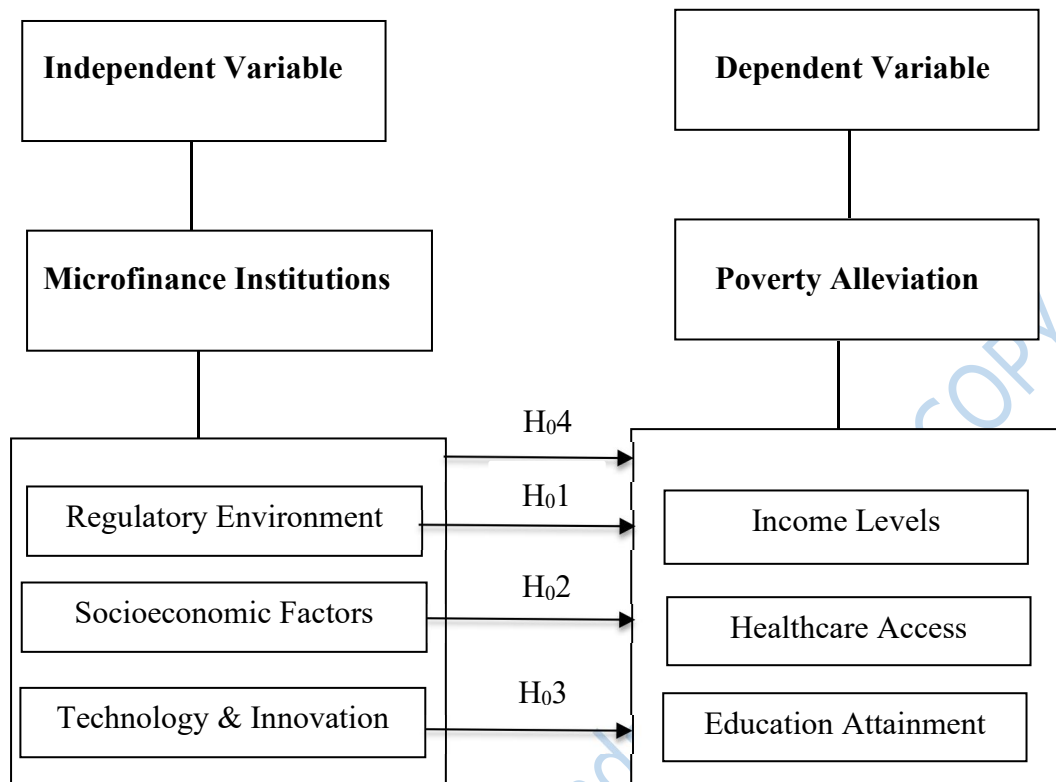


Figure 2.1 Conceptual Model

Source: Researcher's Conceptual Model, 2024

The conceptual model shows the relationship between the independent variables; Microfinance institutions which are measured by outreach, loan portfolio, and institutional performance, environmental factors which are measured by; regulatory environment, socioeconomic factors, and technology & innovation, and the dependent variable; Poverty alleviation which is measured by income levels, healthcare access, and education attainment.

2.5 Summary of Gap in Literature Reviewed

In reviewing the literature on the role of microfinance institutions and environmental factors in poverty alleviation within the Nigerian economic landscape, several gaps emerge, indicating areas where further research is warranted to deepen understanding and inform policy and practice.

Firstly, the existing literature lacks comparative analysis between the effectiveness of microfinance institutions and traditional banks in poverty alleviation efforts. While individual studies may assess the impact of microfinance or banking interventions, few directly compare their relative strengths, weaknesses, and outcomes in addressing poverty within Nigeria. Such comparative analyses could offer valuable insights into the most effective approaches and strategies for poverty alleviation.

Additionally, many studies overlook the complex socioeconomic dynamics and contextual factors shaping poverty and financial inclusion within Nigeria. There's a need for more in-depth research that considers the unique socio-economic challenges, cultural norms, and institutional constraints affecting the effectiveness of microfinance institutions in poverty alleviation. Understanding these contextual nuances is crucial for designing tailored interventions that address the root causes of poverty and promote sustainable socio-economic development.

Furthermore, the majority of existing literature consists of cross-sectional studies or short-term evaluations of microfinance and banking interventions, providing limited insight into their long-term impacts and sustainability. Longitudinal studies tracking the progress and outcomes of poverty alleviation programs over extended periods are needed to assess their effectiveness, identify factors contributing to success or failure, and understand the dynamics of poverty over time.

There's also a gap in the literature regarding standardized metrics and methodologies for measuring the impact of microfinance institutions on poverty alleviation in Nigeria. While some studies employ quantitative indicators such as income levels and access to financial services, there's a lack of consensus on the most appropriate measures of poverty and financial inclusion. Additionally, qualitative research methods exploring the lived experiences and perceptions of beneficiaries are underutilized, limiting understanding of the socio-cultural dimensions of poverty alleviation.

Lastly, the role of policy and regulatory frameworks in shaping the effectiveness of microfinance institutions in poverty alleviation receives inadequate attention in the literature. Research examining the impact of regulatory reforms, government policies, and institutional initiatives on the accessibility, affordability, and quality of financial services for low-income individuals and marginalized communities is essential. Understanding the regulatory environment is crucial for identifying barriers to financial inclusion and designing evidence-based policy interventions to address them.

Addressing these gaps through rigorous empirical research, interdisciplinary collaboration, and policy engagement is essential for advancing knowledge on microfinance institutions, environmental factors, and poverty alleviation in Nigeria. By filling these gaps, this study contributes to the development of more effective, inclusive, and sustainable strategies for reducing poverty and promoting equitable economic development in Nigeria.

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Chapter Three

Methodology

3.1 Research Design

The research design for this study adopts a quantitative approach, emphasizing the collection of numerical data via surveys. Its objective is to methodically gather insights into individuals' experiences and perceptions concerning microfinance institutions, environmental factors, and poverty alleviation in Oyo State, Nigeria. This methodology aims to systematically collect information on the experiences and perceptions of individuals regarding the relationship between microfinance institutions, environmental factors, and poverty alleviation, focusing on the current economic situation in Oyo State, Nigeria.

3.2 Population of Study

The study was conducted in Oyo State, Nigeria, specifically chosen for its direct exposure to the operations of microfinance institutions and banks. Oyo State is divided into three senatorial districts - Oyo South, Oyo Central, and Oyo North - and further subdivided into 33 local government areas. With an estimated population of 7,976,100 in 2022, Oyo State ranks as the sixth most populous state in Nigeria. The population of this study comprises fifty-three (53) microfinance institutions operating across the three senatorial zones of the state¹.

3.3 Sample and Sampling Techniques

To ensure unbiased selection, the study area was divided into 12 sample units based on the different local government areas within Oyo State. The population under study consists of 53 microfinance institutions with branches across the three senatorial zones, encompassing 33 Local Government Areas (LGAs). From each of the three senatorial zones, four microfinance banks were purposefully selected from each of the three (3) senatorial zones, making a total

of twelve (12) microfinance banks. Two hundred and forty (240) questionnaires were randomly distributed to customers across the selected microfinance banks. The study primarily focuses on clients who have utilized financial services from the microfinance institutions.

Table 3.1 shows the selected microfinance banks. and table 3.2 shows how the two hundred and forty (240) questionnaires were randomly distributed across the selected microfinance banks.

Table 3.1 Selected Microfinance Banks

S/N	Oyo Central	Oyo North	Oyo South
1	Advans La Fayette, 1 Amole Street, beside Brent Mall, along Abeokuta Road, Dogo bus stop, Apata, Ibadan, Oyo State.	Ajewole Microfinance Bank Limited, Ilorin Road, Sabo, Ogbomosho, Oyo State.	La Fayette Microfinance Bank, Dugbe, Ibadan, Oyo State
2	Kope Kope Microfinance Bank, along Old Ibadan Express Road, Fiditi, Oyo State.	Ipapo Microfinance Bank, Market Square, Itesiwaju, Oyo State.	Seedvest Microfinance Bank Ltd, New Garage, Ibadan.
3	Karnel Microfinance Bank, Along Idi-Igba area, Oyo State.	Ikoyi-Ile Microfinance Bank, Ikoyi-Ile, Oriire Local Government, Oyo State.	Crest Microfinance Bank, Obafemi Awolowo Way, Ibadan, Oyo State.
4	Isale Oyo Microfinance Bank, Sabo Area, Oyo State.	Randa Alpha Microfinance Bank, Randa Area, Ogbomosho, Oyo State	Lapo Microfinance Bank, Remilekun House, No. 72, Adekunle Fajuyi Road, Dugbe, Ibadan Oyo State.

Source: Researcher's Computation, 2024

This study employed a stratified random sampling technique to select customers who provided their perspectives on the relationship between microfinance institutions, environmental factors, and poverty alleviation in Nigeria.

Table 3.2 Sample Size

S/N	Microfinance Banks	Sample Size
1	Kope Kope Microfinance Bank, along Old Ibadan Express Road, Fiditi, Oyo State.	20
2	Karnel Microfinance Bank, Along Idi-Igba area, Oyo State.	20
3	Ajewole Microfinance Bank Limited, Ilorin Road, Sabo, Ogbomosho, Oyo State.	20
4	Ipapo Microfinance Bank, Market Square, Itesiwaju, Oyo State.	20
5	Ikoyi-Ile Microfinance Bank, Ikoyi-Ile, Oriire Local Government, Oyo State.	20
6	Randa Alpha Microfinance Bank, Randa Area, Ogbomosho, Oyo State	20
7	Advans La Fayette, 1 Amole Street, beside Brent Mall, along Abeokuta Road, Dogo bus stop, Apata, Ibadan, Oyo State.	20
8	Isale Oyo Microfinance Bank, Sabo Area, Oyo State.	20
9	La Fayette Microfinance Bank, Dugbe, Ibadan, Oyo State	20
10	Seedvest Microfinance Bank Ltd, New Garage, Ibadan.	20
11	Crest Microfinance Bank, Obafemi Awolowo Way, Ibadan, Oyo State.	20
12	Lapo Microfinance Bank, Remilekun House, No. 72, Adekunle Fajuyi Road, Dugbe, Ibadan Oyo State.	20
		Total = 240

Source: Researcher's Computation, 2024

3.4 Description of the Research Instrument

The research instrument utilized in this study is a structured questionnaire designed to gather relevant data on individuals' perceptions and experiences regarding the relationship between microfinance institutions, environmental factors, and poverty alleviation in Nigeria. The questionnaire includes demographic questions to gather basic information about the respondents. This study adopted closed-ended questions using a 4-point Likert-type scale format. The responses from every item in the questionnaire were answered by rating the responses on; (4) "strongly agree," (3) "agree", (2) "disagree", to (1) "strongly disagree". This modified scale increases the responses' reliability and gains more effective results from the

respondents, which also enables the respondents to express their perceptions and experiences regarding the relationship between microfinance institutions, environmental factors, and poverty alleviation in Nigeria. The survey was conducted with the help of six (6) paid research assistants, supervised by the researcher.

This research instrument was selected because it helps collect feedback based on the perception and opinion of the respondents, more so, it is suitable for collecting data from a pool of people within a short period on current issues, plus it enhances quantitative data analysis.

3.5 Validity of Research Instrument

The research instruments underwent a pre-test with a small sample of respondents to identify any ambiguities or issues in the questions. A pilot study was then conducted using customers of Oluyole Microfinance Bank, located in Iwo Rd, Ibadan, and Lapo Microfinance Bank in Samonda, Ibadan, as they share similar attributes with the microfinance institutions under investigation, but not part of the study. A sample of forty-eight respondents, representing 20% of the total sample size, was selected for the study. Customers of the microfinance banks were given twenty-four (24) copies of the questionnaire each, with responders chosen at random.

Upon retrieval of the questionnaires, 42 usable copies were returned. Principal factor analysis was employed to assess the overall adequacy and validity of the adapted instrument. The Varimax Extraction Method was utilized to extract factor loadings from the rotated component matrix to compute the Average Variance Extracted (AVE). Both the AVE and discriminant validity values provided evidence of construct validity for all variables under study. Additionally, an AVE value greater than 0.5 further proved convergent validity.

The research instruments underwent validation processes including face, criterion, content, and construct validity. Criterion and content validity were assessed by two senior lecturers in the Department of Management and Accounting, Lead City University, Ibadan, and the researcher's supervisor. Contributions from these sources were used to modify the questionnaire as necessary for the main study, ensuring alignment with existing literature on how each variable was measured. The pilot study allowed for pre-testing of the instruments to confirm construct validity. Table 3.3 shows the summary of Pilot test incorporating construct validity test.

Table 3.3: Summary of Pilot Test Incorporating Construct Validity Test

Variable	Items before Pilot test	Items left after Pilot test	AVE	Remark
Microfinance Banks	25	10	0.519	Reliable
Environmental Factors	20	10	0.982	Reliable
Poverty alleviation	25	10	0.955	Reliable

Source: Computed from Pilot Study, 2023

Table 3.3 above shows that the AVE values for all the constructs are above the threshold of 0.5 to suggest that the convergent validity has been established for all the reflective constructs in this study.

Table 3.4: Validity Statistics Process

Variable	No. Items	KMO	Bart	Sig	Remark
Microfinance Banks	10	0.681	37.275	(0.000)	Accepted
Environmental Factors	10	0.874	88.931	(0.000)	Accepted
Poverty Alleviation	10	0.885	85.904	(0.000)	Accepted

Source: Computed from Pilot Study through SPSS V25, 2023

To validate the research instrument further, principal component analysis was utilized, incorporating the Kaiser-Meyer-Olkin (KMO) test. This test evaluates the suitability of the data for the study and measures the sampling adequacy for each variable in the model and the complete model. A KMO value greater than 0.5 is typically required for a variable to be considered acceptable. However, according to scholarly guidelines, values between 0.5 and 0.7 are considered average, 0.7 to 0.8 are deemed good, and values between 0.8 and 0.9 are categorized as very good. Additionally, the Bartlett test of Sphericity was employed to assess the strength of the relationship among variables. This test evaluates whether there are significant correlations between the variables, indicating whether they are appropriate for further analysis^{2,3}.

Table 3.4 presents the validity statistics process for four key variables: regulatory environment, socioeconomic factors, technology & innovation, and Poverty Alleviation . For regulatory environment, the KMO value of 0.681 indicates a moderate level of sampling adequacy, suggesting that the data is suitable for factor analysis. Additionally, Bartlett's Test of Sphericity yielded a significant result (Sig = 0.000), indicating that correlations between variables are sufficiently large for factor analysis. Therefore, the Regulatory Environment variable demonstrates acceptable validity for further analysis. For socioeconomic factors, the high KMO value of 0.874 indicates a high level of sampling adequacy, suggesting that the data is highly suitable for factor analysis. Bartlett's Test of Sphericity yielded a significant result (Sig = 0.000), indicating that correlations between variables are sufficiently large for factor analysis. Thus, the Socioeconomic Factors variable exhibits strong validity for further analysis.

Also, for technology and innovation the KMO value of 0.774 indicates a satisfactory level of sampling adequacy, suggesting that the data is suitable for factor analysis. Bartlett's Test of Sphericity yielded a significant result (Sig = 0.000), indicating that correlations between

variables are sufficiently large for factor analysis. Thus, the Technology & Innovation variable demonstrates acceptable validity for further analysis. For Poverty Alleviation in Nigeria the high KMO value of 0.885 indicates a high level of sampling adequacy, suggesting that the data is highly suitable for factor analysis. Bartlett's Test of Sphericity yielded a significant result (Sig = 0.000), indicating that correlations between variables are sufficiently large for factor analysis. Thus, the poverty alleviation variable exhibits strong validity for further analysis.

All variables demonstrated acceptable levels of validity based on the Kaiser-Meyer-Olkin measure and Bartlett's Test of Sphericity, indicating that the data was appropriate for factor analysis. Therefore, the variables can be considered valid for further analysis in the study.

3.6 Reliability of the Research Instrument

The researcher conducted a reliability test on the questionnaire to ensure its consistency. The variables including regulatory environment, socioeconomic factors, technology & innovation, and Poverty alleviation were assessed for internal consistency using Cronbach's alpha coefficient.

Internal consistency, a measure of the reliability of a scale, evaluates the consistency of responses within the scale's items. Cronbach's alpha coefficient, commonly used for this purpose, assesses the extent to which items in a scale measure the same underlying construct. A Cronbach's alpha coefficient greater than 0.7 but less than 1 indicates reliability for a questionnaire⁴. Table 3.5 presents the reliability statistics for all variables in the study.

Table 3.5: Reliability Statistic

S/N	Variables	Cronbach's Alpha Coefficient
1.	Regulatory Environment	0.708
2.	Socioeconomic Factors	0.969

3.	Technology & Innovation	0.7 81
4.	Poverty alleviation	0.920

Source: Computed from Pilot Study, 2024

3.7 Administration of Research Instrument and Method of Data Collection

Primary data was collected to address the objectives of this study. This is because it helps to reduce the chances of obtaining incorrect data and equally provides the opportunity to better understand the respondents under investigation. The primary data was collected using a structured questionnaire in line with existing studies. More so, this instrument works well with a survey design mainly because it aids in collecting data regarding the opinions and perceptions of respondents at a point in time on current issues. The researcher met with each bank's human resources managers and other designated officers responsible for seeking permission to conduct this study. This is necessary because the approval of the human resource managers facilitated the questionnaire administration, retrieval, and response rate.

The questionnaire was administered to two hundred and forty (240) customers of the selected banks during operating hours at the business premises. A letter introducing the researcher, enumerating the purpose of the study, and copies of the questionnaire was distributed to the respondents. The copies of the questionnaire were distributed in person by the trained research assistants, with specific instructions on the administration process, which involves administering copies of the questionnaire to customers in the banking hall and retrieving the copies of the questionnaire from the respondents.

3.8 Method of Data Analysis

Quantitative data obtained from structured questionnaires was analyzed utilizing statistical software such as SPSS (Statistical Package for the Social Sciences). Descriptive statistics, such as mean and percentages, was utilized to summarize the demographic characteristics of the respondents and provide an overview of the collected data. Inferential statistics, including regression analysis, principal component analysis, and correlation analysis, was employed to test the research hypotheses and explore relationships between variables.

The table below outlines the objectives of the study and the corresponding method of analysis adopted. These statistical analyses was conducted using SPSS version 25, as it is a robust statistical platform capable of performing various data analyses, particularly suited for processing primary data obtained from questionnaires.

Table 3.6: Method of Analysing Specific Objectives

	Objectives	Analytical Statistical Techniques
i.	Examine the influence of the regulatory environment on Poverty alleviation within Nigeria.	Regression
ii.	Explore the effect of socioeconomic factors on Poverty alleviation within the Nigerian context.	Multiple Regression Analysis
iii.	Investigate the relationship between technology & innovation and Poverty alleviation in Nigeria.	Correlation
iv.	examine the impact of microfinance institutions on poverty alleviation within the context of the Nigerian economic landscape.	Regression

Source: Researcher's Compilation, 2024

Endnotes

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3. Sürücü, Lütfi, &AhmetMaslakçi, *Validity and reliability in quantitative research*, **Business & Management Studies: An International Journal** 8, no. 3, 2020, 2694-2726.
4. M., Kaicer. *Sustainable development poverty reduction by modeling and simulation in microfinance*. In *Advanced Intelligent Systems for Sustainable Development (AI2SD'2019) Volume 3-Advanced Intelligent Systems for Sustainable Development Applied to Environment, Industry and Economy*. Springer International Publishing, 2020, pp. 661-668.

Chapter Four

Results and Discussion of Findings

The chapter provides empirical information concerning the result of the data analysis concerning data description, interpretation of the result of the hypotheses tested, and the discussion of the study's implications within the existing literature. This study aims to examine the relationship between microfinance institutions, environmental factors, and poverty alleviation in Nigeria. This research was carried out via a questionnaire to acquire the necessary information for this purpose. The study adopted the SPSS version 25 for the descriptive and inferential statistics to analyze the data.

4.1 Demographic Data Analysis

Table 4.1: Response Rate

Responses	Frequency	Percent
Completed usable copies of the questionnaire	240	100%
Unusable, unreturned, and disqualified questionnaires	0	0%
Total	240	100%

Source: Researcher's Field Survey Results, 2024

A total of three hundred (240) copies of the questionnaire were administered, and all copies (240) were returned, which represent a 100% response rate. The high response rate was recorded as the researcher administered the instruments with the help of research assistants who put concerted efforts to ensure due diligence with the questionnaire administration.

Table 4.2 Demographic Characteristics of Respondents

Variables	Category	Frequency	Percentage
Gender	Male	83	34.6%
	Female	157	65.4%
Age	18-30 years	73	30.4%
	31-40 years	97	40.4%
	41-50 years	41	17.1%
	51 – 60 years	21	8.8%
	61 years-above	8	3.3%
Education Qualification	SSCE	57	23.8%
	OND/HND	41	17.1%
	Bachelor	116	48.3%
	Master	19	7.9%
	Doctorate	7	2.9%
Employment Status	Employed	61	25.4%
	Unemployed	34	14.2%
	Self-employed	114	47.5%
	Student	25	10.4%
	Retired	6	2.5%
Monthly Income Level	Below ₦50,000	35	14.6%
	₦50,000 - ₦100,000	48	20.0%
	₦101,000 - ₦200,000	83	34.6%
	₦201,000- ₦500,000	58	24.2%
	Above ₦500,000	16	6.7%

Source: Field Survey Results, 2024

The table illustrates the gender distribution among the respondents in the study, categorized as male and female, 34.6% identified as male, while a larger proportion, comprising 65.4%, identified as female. In terms of age distribution, the respondents were varied across different age brackets. The largest proportion of respondents fell within the age range of 31 to 40 years, constituting 40.4% of the sample. Following closely behind, individuals aged 18 to 30 years represented 30.4% of the respondents. The distribution gradually decreased as age increased beyond 40 years, with 17.1% falling within the 41 to 50 years bracket, 8.8% within 51 to 60 years, and 3.3% being 61 years or older.

The study's participants exhibited a diverse range of educational qualifications, with the majority holding Bachelor's degrees, constituting 48.3% of the sample. Following Bachelor's degrees, 23.8% of respondents reported having completed SSCE (Senior Secondary Certificate Examination), while 17.1% held OND/HND (Ordinary National Diploma/Higher National Diploma) qualifications. A smaller percentage of respondents possessed higher educational credentials, with 7.9% holding Master's degrees and 2.9% having attained a Doctorate. Regarding employment status, the majority of respondents identified as self-employed, comprising 47.5% of the sample. Employed individuals made up 25.4% of the respondents, while unemployed and student respondents represented 14.2% and 10.4%, respectively. Retired individuals constituted the smallest proportion at 2.5%.

In terms of monthly income levels, the distribution was varied. The largest proportion of respondents reported monthly incomes ranging between ₦101,000 and ₦200,000, comprising 34.6% of the sample. This was followed by respondents earning between ₦50,000 and ₦100,000, constituting 20.0%. Respondents with monthly incomes below ₦50,000 made up 14.6% of the sample, while those earning between ₦201,000 and ₦500,000 represented

24.2%. The smallest proportion of respondents reported earnings above ₦500,000, accounting for 6.7% of the sample.

4.2 Presentation of Data

4.2.1 Analysis of Research Questions

Table 4.3 shows the impact of microfinance institutions on poverty alleviation within the context of the Nigerian economic landscape, using descriptive statistics and computed for each statement to reveal the frequencies, percentages, and mean on a four-point Likert-type scale (Strongly Agree (SA)=4, Agree (A)=3, Disagree (D)=2, Strongly Disagree (SD)=1

Table 4.3: Descriptive Analysis of Responses on the Impact of Microfinance Institutions on Poverty Alleviation within the Context of the Nigerian Economic Landscape

Impact of Microfinance Institutions on Poverty Alleviation	SA	A	D	SD	Mean
Microfinance institutions play an essential role in reaching out to underserved communities in Nigeria.	21 (8.8%)	64 (26.6%)	91 (37.9%)	64 (26.7%)	2.18
The services provided by Microfinance institutions effectively target impoverished individuals and households.	89 (37.1%)	96 (40.0%)	37 (15.4%)	18 (7.5%)	3.07
Microfinance institutions actively engage with local communities to understand their financial needs and challenges.	25 (10.4%)	61 (25.4%)	105 (43.8%)	49 (20.4%)	2.26
Microfinance institutions offer a diverse range of financial products tailored to the needs of low-income individuals.	87 (36.2%)	134 (55.8%)	15 (6.2%)	4 (1.7%)	3.27
The loan application process of Microfinance institutions is accessible	62 (25.8%)	82 (34.2%)	76 (31.7%)	20 (8.3%)	2.78

and straightforward for borrowers.

Microfinance institutions provide adequate support and guidance to borrowers throughout the loan repayment period.	41 (17.1%)	96 (40.0%)	72 (30.0%)	31 (12.9%)	2.61
Microfinance institutions in Nigeria demonstrate transparency in their operations and financial management practices.	71 (29.6%)	117 (48.8%)	45 (18.7%)	7 (2.9%)	3.05
The performance of Microfinance institutions in Nigeria positively contributes to poverty alleviation efforts.	102 (42.5%)	96 (40.0%)	27 (11.2%)	15 (6.3%)	3.19
Microfinance institutions in Nigeria effectively measure and report their impact on the economic well-being of their clients.	79 (32.9%)	90 (37.5%)	33 (13.8%)	38 (15.8%)	2.88
Microfinance institutions have a positive reputation for their impact on poverty alleviation in Nigeria.	118 (49.2%)	74 (30.8%)	30 (12.5%)	18 (7.5%)	3.22

Grand Mean = 2.85

Source: Field Survey Results, 2024

Key: = (Strongly Agree=4, Agree=3, Low Disagree =2, Strongly Disagree =1)

*****Decision Rule if mean is ≤ 1.99 = Poor; 2.0 to 2.99 = Good; 3.0 to 4.0 = Very Good; 4.0 and above = Excellent.**

On the impact of microfinance institutions on poverty alleviation within the context of the Nigerian economic landscape, the results indicate a mixed perception regarding the role of microfinance institutions (MFIs) in reaching underserved communities. While a significant portion (26.6%) agrees and a smaller proportion strongly agrees (8.8%) that MFIs play an essential role in reaching out to these communities, a considerable number (37.9%) disagrees, with a similar proportion (26.7%) strongly disagreeing. This suggests a lack of consensus among respondents regarding the effectiveness of MFIs in reaching out to underserved

communities. On effectiveness in targeting impoverished individuals and households, the majority of respondents (77.1%) either agree (40.0%) or strongly agree (37.1%) that the services provided by MFIs effectively target impoverished individuals and households. This indicates a generally positive perception of the impact of MFIs in addressing poverty at the grassroots level. There is a noticeable divide in opinions regarding the active engagement of MFIs with local communities to understand their financial needs and challenges. While 10.4% strongly agree and 25.4% agree. However, 43.8% disagree and 20.4% strongly disagree on the notion.

The results suggest a generally positive perception regarding the diversity of financial products offered by microfinance institutions (MFIs) tailored to the needs of low-income individuals. Over half of the respondents (55.8%) agree, with a significant portion (36.2%) strongly agreeing. This indicates a widespread belief that MFIs in Nigeria are effective in offering a variety of financial products suitable for addressing the diverse needs of the impoverished. There appears to be a mixed perception regarding the accessibility and simplicity of the loan application process offered by MFIs. While a considerable portion of respondents (34.2%) agrees and a smaller proportion (25.8%) strongly agrees that the process is straightforward, a significant number (31.7%) disagrees, with a similar proportion (8.3%) strongly disagreeing. This indicates a significant divide in opinions, suggesting that improvements may be needed in the accessibility and simplicity of the loan application process to better serve the target demographic.

The findings indicate a less favorable perception regarding the support and guidance provided by MFIs to borrowers throughout the loan repayment period. While a substantial portion of respondents (40.0%) agrees that MFIs provide adequate support, a significant number (30.0%) disagrees, with a considerable proportion (12.9%) strongly disagreeing. Also, the results

reflect a relatively positive perception regarding the transparency of MFIs in Nigeria. A considerable majority of respondents (48.8%) agree, with almost a third (29.6%) strongly agreeing that these institutions demonstrate transparency in their operations and financial management practices. However, 18.7% disagrees, and a small fraction (2.9%) strongly disagrees.

The results revealed that the majority of respondents perceive that the performance of MFIs in Nigeria positively contributes to poverty alleviation efforts, with 42.5% strongly agree and 40.0% agree. However, a notable proportion (11.2%) disagrees, and a smaller portion (6.3%) strongly disagrees with this statement. Regarding the effectiveness of MFIs in measuring and reporting their impact on the economic well-being of their clients, the responses are more varied. While a significant portion (32.9%) strongly agree and 37.5% agree, a considerable number (15.8%) strongly disagrees, and a similar proportion (13.8%) disagrees. Also, the majority of respondents perceive that MFIs have a positive reputation for their impact on poverty alleviation in Nigeria. Almost half (49.2%) strongly agree, and 30.8% agree with this statement. However, 12.5% disagree, and 7.5% strongly disagree with this assertion.

Overall, the grand mean of 2.85 suggests a moderate level of agreement across the statements, indicating a nuanced perspective on the role and effectiveness of MFIs in addressing poverty within the Nigerian economic landscape.

Table 4.4 shows the influence of the regulatory environment on Poverty alleviation within Nigeria, using descriptive statistics and computed for each statement to reveal the frequencies, percentages, and mean on a four-point Likert-type scale (Strongly Agree (SA)=4, Agree (A)=3, Disagree (D)=2, Strongly Disagree (SD)=1

Table 4.4: Descriptive Analysis of Responses on the Influence of the Regulatory Environment on Poverty alleviation within Nigeria

Influence of the Regulatory Environment on Poverty alleviation	SA	A	D	SD	Mean
The current regulatory environment facilitates Poverty alleviation efforts by microfinance institutions and banks.	28 (11.7%)	34 (14.2%)	121 (50.4%)	57 (23.8%)	2.14
Regulatory policies effectively address the challenges faced by microfinance institutions and banks in reaching marginalized communities.	30 (12.5%)	66 (27.5%)	96 (40.0%)	48 (20.0%)	2.33
Compliance with regulatory requirements enhances the ability of microfinance institutions and banks to provide inclusive financial services to the poor.	85 (35.4%)	121 (50.4%)	32 (13.3%)	2 (0.8%)	3.20
There are inconsistencies in the current regulatory framework that impede Poverty alleviation efforts through microfinance institutions and banks.	87 (36.2%)	134 (55.8%)	15 (6.2%)	4 (1.7%)	3.27
Regulatory authorities collaborate effectively with microfinance institutions and banks to address poverty-related challenges.	20 (8.3%)	62 (25.8%)	117 (48.8%)	41 (17.1%)	2.25
Regulatory reforms are necessary to enhance the effectiveness of microfinance institutions and banks in alleviating poverty.	142 (59.2%)	85 (35.4%)	12 (5.0%)	1 (0.4%)	3.53
Changes in the regulatory environment can lead to improved access to financial services for the poor.	171 (71.2%)	57 (23.8%)	10 (4.2%)	2 (0.8%)	3.65

The regulatory framework considers the needs and challenges of microfinance institutions and banks involved in Poverty alleviation .	32 (13.3%)	86 (35.8%)	97 (40.4%)	25 (10.4%)	2.52
Regulatory compliance poses significant barriers to the operation of microfinance institutions and banks in Poverty alleviation .	79 (32.9%)	90 (37.5%)	33 (13.8%)	38 (15.8%)	2.88
The regulatory environment supports the successful implementation of Poverty alleviation programs by microfinance institutions and banks.	18 (7.5%)	74 (30.8%)	90 (37.5%)	58 (24.2%)	2.22

Grand Mean = 2.80

Source: Field Survey Results, 2024

Key: = (Strongly Agree=4, Agree=3, Low Disagree =2, Strongly Disagree =1)

*****Decision Rule if mean is ≤ 1.99 = Poor; 2.0 to 2.99 = Good; 3.0 to 4.0 = Very Good; 4.0 and above = Excellent.**

Table 4.4 shows a descriptive analysis of responses regarding the influence of the regulatory environment on Poverty alleviation within Nigeria. Respondents were asked to assess whether the current regulatory environment facilitates Poverty alleviation efforts by microfinance institutions (MFIs) and banks. The results indicate a divergence of opinions, with 28 respondents (11.7%) strongly agreeing and 34 (14.2%) agreeing that the regulatory environment supports such efforts. However, a significant majority of 121 respondents (50.4%) and 57 respondents (23.8%) express disagreement, suggesting a prevalent perception among stakeholders that the existing regulatory framework may not adequately support Poverty alleviation initiatives. The mean score of 2.14 indicates a moderate level of dissatisfaction with the facilitation of Poverty alleviation efforts by the current regulatory environment. Regarding the effectiveness of regulatory policies in addressing challenges faced by MFIs and banks in reaching marginalized communities, responses also vary. While

30 respondents (12.5%) strongly agree and 66 (27.5%) agree that regulatory policies effectively address these challenges, 96 respondents (40.0%) disagree and 48 respondents (20.0%) strongly disagree. This indicates a perceived inadequacy in the responsiveness of regulatory policies to the needs of marginalized communities. The mean score of 2.33 suggests a moderate level of skepticism regarding the effectiveness of current regulatory policies in addressing challenges related to Poverty alleviation .

Respondents recognize the role of regulatory compliance in enhancing the ability of MFIs and banks to provide inclusive financial services to the poor. A significant majority 35.4% strongly agree, and 50.4% agree that compliance with regulatory requirements contributes to providing inclusive financial services. 13.3% disagree and 0.8% strongly disagree. The high mean score of 3.20 reflects a strong consensus among respondents regarding the significance of regulatory compliance in enabling financial institutions to serve marginalized communities effectively. On the perception of inconsistencies within the current regulatory framework that impede Poverty alleviation efforts through MFIs and banks. A substantial proportion of respondents 36.2% strongly agree, and 55.8% agree that such inconsistencies exist, hindering Poverty alleviation initiatives. 6.2% and 1.7% strongly disagree. The mean score of 3.27 highlights the significant concern among respondents regarding the presence of barriers within the regulatory environment.

The analysis reveals mixed views on the effectiveness of collaboration between regulatory authorities and financial institutions in addressing poverty-related challenges. While 8.3% of respondents strongly agree and 25.8% agree that regulatory authorities collaborate effectively with MFIs and banks, a considerable proportion 48.8% disagree and 17.1% strongly disagree. This indicates a perceived need for enhanced collaboration and support from regulatory authorities to address poverty-related challenges more effectively. The mean score of 2.25

suggests a moderate level of dissatisfaction with the current state of collaboration between regulatory bodies and financial institutions. The majority of respondents (59.2%) strongly agree, and a significant proportion (35.4%) agree that regulatory reforms are necessary to enhance the effectiveness of microfinance institutions (MFIs) and banks in alleviating poverty, while 5.0% disagree and 0.4% strongly disagree. The high mean score of 3.53 reinforces the urgency and importance attributed to regulatory reforms in bolstering the effectiveness of MFIs and banks in addressing poverty.

Respondents acknowledge the potential of changes in the regulatory environment to improve access to financial services for the poor. A substantial majority (71.2%) strongly agree, and 23.8% agree that regulatory adjustments can lead to enhanced financial access, thereby contributing to Poverty alleviation efforts, while 4.2% disagree and 0.8 strongly disagree. The high mean score of 3.65 reveals the conviction among respondents regarding the positive impact of regulatory changes on financial access for the poor. When evaluating whether the regulatory framework adequately considers the needs and challenges of MFIs and banks involved in Poverty alleviation , respondents provide a mixed assessment. While a minority (13.3%) strongly agree and 35.8% agree that the regulatory framework adequately considers these needs, a significant proportion (40.4%) disagree and 10.4% strongly disagree. The mean score of 2.52 reflects a moderate level of dissatisfaction with the current level of consideration given to institutional needs and challenges within the regulatory framework.

Respondents identify regulatory compliance as a significant barrier to the operation of MFIs and banks in Poverty alleviation efforts. A notable proportion (32.9%) strongly agree, and 37.5% agree that regulatory compliance poses significant barriers. 13.8% disagree and 15.8%strongly disagree. The mean score of 2.88 indicates a substantial level of concern among respondents regarding the adverse effects of regulatory compliance on Poverty

alleviation efforts. The analysis also explores the extent to which the regulatory environment supports the successful implementation of Poverty alleviation programs by MFIs and banks. While some respondents (7.5%) strongly agree and 30.8% agree that the regulatory environment supports such implementation, 37.5% disagree and 24.2% strongly disagree. The mean score of 2.22 reflects a moderate level of dissatisfaction with the current level of support from the regulatory environment. The overall grand mean of 2.80 indicates a moderate level of satisfaction among respondents the influence of the regulatory environment on Poverty alleviation in Nigeria. While certain aspects received positive feedback, there are notable areas requiring improvement, including policy clarity, regulation enforcement, feedback mechanisms, and fund utilization.

Table 4.5 shows the effect of socioeconomic factors on Poverty alleviation within the Nigerian context, using descriptive statistics and computed for each statement to reveal the frequencies, percentages, and mean on a four-point Likert-type scale (Strongly Agree (SA)=4, Agree (A)=3, Disagree (D)=2, Strongly Disagree (SD)=1

Table 4.5: The Effect of Socioeconomic Factors on Poverty Alleviation within the Nigerian Context.

Socioeconomic Factors on Poverty alleviation	SA	A	D	SD	Mean
Access to education plays a crucial role in breaking the cycle of poverty.	187 (77.9%)	42 (17.5%)	10 (4.2%)	1 (0.4%)	3.73
Employment opportunities are equally accessible to all socioeconomic groups.	11 (4.6%)	28 (11.7%)	129 (53.8%)	72 (30.0%)	1.91
Income inequality hinders Poverty alleviation efforts.	95 (39.6%)	73 (30.4%)	61 (25.4%)	11 (4.6%)	3.05
Access to quality healthcare services is a critical factor in Poverty alleviation .	99 (41.2%)	135 (56.2%)	5 (2.1%)	1 (0.4%)	3.38
Social welfare programs effectively target and assist impoverished communities.	58 (24.2%)	88 (36.7%)	63 (26.2%)	31 (12.9%)	2.72
Infrastructure development contributes to poverty reduction.	96 (40.0%)	39 (16.2%)	65 (27.1%)	40 (16.7%)	2.80
Access to affordable housing is an important aspect of Poverty alleviation .	125 (52.1%)	75 (31.2%)	37 (15.4%)	3 (1.2%)	3.34
Gender equality initiatives have positively impacted Poverty alleviation .	42 (17.5%)	61 (25.4%)	121 (50.4%)	16 (6.7%)	2.54
Corruption and governance issues hinder socioeconomic progress and poverty reduction.	147 (61.2%)	79 (32.9%)	12 (5.0%)	2 (0.8%)	3.55
Socioeconomic empowerment programs are effective tools for Poverty alleviation	98 (40.8%)	130 (54.2%)	8 (3.3%)	4 (1.7%)	3.34
Grand Mean = 3.04					

Source: Field Survey Results, 2024

Key: = (Strongly Agree=4, Agree=3, Low Disagree=2, Strongly Disagree =1)

*****Decision Rule if mean is ≤ 1.99 = Poor; 2.0 to 2.99 = Good; 3.0 to 4.0 = Very Good; 4.0 and above = Excellent.**

According to the results in Table 4.5, result indicates that respondents strongly agree that access to education plays a crucial role in breaking the cycle of poverty, with 77.9% strongly agree and 17.5% agree. 4.2% disagree, and 0.4% strongly disagree. The mean score of 3.73 reflects a strong conviction among respondents regarding the importance of education in addressing poverty. Contrary to the optimistic perception of education, respondents are less confident about the accessibility of employment opportunities across socioeconomic groups. Only 4.6% strongly agree and 11.7% agree that employment opportunities are equally accessible to all socioeconomic groups. A majority of 53.8% disagree, and 30.0% strongly disagree. The mean score of 1.91 underscores the prevalent belief among respondents regarding the inequitable distribution of employment opportunities.

Results indicate Respondents perceive income inequality as a significant hindrance to Poverty alleviation efforts, with 39.6% strongly agree and 30.4% agree. A smaller proportion (25.4%) disagrees, and only 4.6% strongly disagree. The mean score of 3.05 reflects the substantial concern among respondents regarding the impact of income inequality on Poverty alleviation . Results also shows that the importance of access to quality healthcare services in Poverty alleviation is emphasized by respondents, with 41.2% strongly agree and 56.2% agree. 2.1% disagree, and 0.4% strongly disagree. The mean score of 3.38 shows the strong consensus among respondents regarding the critical role of healthcare in Poverty alleviation .

Views on the effectiveness of social welfare programs in targeting and assisting impoverished communities are more diverse. While 24.2% of respondents strongly agree and 36.7% agree that these programs are effective, a notable proportion (26.2%) disagree, and 12.9% strongly disagree. The mean score of 2.72 suggests a moderate level of satisfaction with the effectiveness of social welfare programs. Respondents largely believe that infrastructure development contributes to poverty reduction. A significant proportion (40.0%) strongly

agree, and 16.2% agree with this statement. However, 27.1% disagree, and 16.7% strongly disagree. The mean score of 2.80 signifies a moderate level of agreement. Also, the majority of respondents recognize access to affordable housing as crucial for poverty alleviation . Over half (52.1%) strongly agree, and 31.2% agree with this assertion, while 15.4% disagree, and 1.2% strongly disagree. The mean score of 3.34 reflects a high level of agreement among respondents.

Results indicate a minority (17.5%) strongly agree, and 25.4% agree that the impact of gender equality initiatives on poverty alleviation has positively impacted poverty alleviation. However, a significant proportion (50.4%) disagrees, and 6.7% strongly disagree. The mean score of 2.54 suggests moderate agreement, albeit with significant variation in opinions. Results also show that respondents perceive corruption and governance issues as hindrances to socioeconomic progress and poverty reduction. A large majority (61.2%) strongly agree, and 32.9% agree with this assertion. 5.0% disagree and 0.8% strongly disagree. The mean score of 3.55 shows the significant concern among respondents regarding corruption's impact on poverty alleviation .

Results indicate that 40.8% strongly agree, 54.2% agree that socioeconomic empowerment programs is an effective tools for poverty alleviation , 3.3% disagree, and 1.7% strongly disagree, The mean score of 3.34 reflects a high level of agreement among respondents.

The grand mean of 3.04 for the effect of socioeconomic factors on Poverty alleviation within the Nigerian context signifies a moderately positive perception among respondents regarding the impact of socioeconomic factors on poverty reduction. This finding suggests that respondents, on average, tend to agree that socioeconomic factors play a significant role in alleviating poverty in Nigeria.

Table 4.6 shows the comprehensive analysis of the relationship between technology & innovation on Poverty alleviation in Nigeria, using descriptive statistics and computed for each statement to reveal the frequencies, percentages, and mean on a four-point Likert-type scale (Strongly Agree (SA)=4, Agree (A)=3, Disagree (D)=2, Strongly Disagree (SD)=1

Table 4.6: Descriptive Analysis of the Relationship between Technology & Innovation on Poverty alleviation in Nigeria

Technology & Innovation on Poverty alleviation	SA	A	D	SD	Mean
Technology and innovation play a significant role in advancing poverty alleviation .	86 (35.8%)	142 (59.2%)	12 (5.0%)	-	3.31
Adoption of digital financial services has the potential to enhance financial inclusion and poverty alleviation .	164 (68.3%)	70 (29.2%)	5 (2.1%)	1 (0.4%)	3.65
Mobile banking solutions have effectively reached underserved populations.	91 (37.9%)	99 (41.2%)	42 (17.5%)	8 (3.3%)	3.14
Investment in technological infrastructure is crucial for sustainable poverty alleviation .	68 (28.3%)	164 (68.3%)	7 (2.9%)	1 (0.4%)	3.25
E-commerce platforms have provided new economic opportunities for low-income individuals.	58 (24.2%)	146 (60.8%)	30 (12.5%)	6 (2.5%)	3.07
Access to information and communication technologies (ICTs) is essential for empowering the poor and reducing poverty.	153 (63.8%)	79 (32.9%)	6 (2.5%)	2 (0.8%)	3.60
Government support for technological innovation initiatives contributes to poverty alleviation .	28 (11.7%)	63 (26.2%)	111 (46.2%)	38 (15.8%)	2.34
Education and training programs focused on technology and digital literacy are crucial for poverty reduction in Nigeria.	127 (52.9%)	102 (42.5%)	8 (3.3%)	3 (1.2%)	3.47

Collaboration with technology firms and startups can enhance the scalability and impact of poverty alleviation initiatives by microfinance institutions and banks.	61 (25.4%)	140 (58.3%)	35 (14.6%)	4 (1.7%)	3.08
Microfinance institutions and banks should invest more in technological infrastructure to enhance the effectiveness of poverty alleviation initiatives.	69 (28.8%)	101 (42.1%)	59 (24.6%)	11 (4.6%)	2.95

Grand Mean = 3.19

Source: Field Survey Results, 2024

Key: = (Strongly Agree=4, Agree=3, Low Disagree=2, Strongly Disagree=1)

*****Decision Rule if mean is ≤ 1.99 = Poor; 2.0 to 2.99 = Good; 3.0 to 4.0 = Very Good; 4.0 and above = Excellent.**

Table 4.6 provides a descriptive analysis of respondents' perceptions regarding the relationship between technology and innovation on poverty alleviation in Nigeria.

Results indicate that 35.8% strongly agree, and the majority 59.2% agree that there is a significant role of technology and innovation in advancing poverty alleviation . 5.0% disagree. However, no respondents indicated strong disagreement. The mean score of 3.31 indicates a strong consensus among respondents regarding the importance of technology and innovation in Poverty alleviation efforts. Also, majority (68.3%) strongly agree, and 29.2% agree that the positive impact of digital financial services on poverty alleviation . 2.1% disagree, and 0.4% strongly disagree. The mean score of 3.65 indicates a high level of agreement among respondents regarding the positive impact of digital financial services on poverty alleviation

Result indicate that 37.9% of the respondents strongly agree and 41.2% agree that mobile banking solutions have effectively reached underserved populations, 17.5% disagrees. Additionally, 3.3% of respondents strongly disagree. The mean score of 3.14 suggests a moderate level of agreement overall regarding the effectiveness of mobile banking solutions

in reaching underserved populations. The majority of respondents recognize investment in technological infrastructure as crucial for sustainable poverty alleviation . While 28.3% strongly agree and 68.3% agree with this statement, only 2.9% disagree, and 0.4% strongly disagree. The mean score of 3.25 indicates a strong consensus among respondents regarding the importance of investing in technological infrastructure for poverty alleviation .

Results indicate that 24.2% of respondents strongly agree and 60.8% agree that the impact of e-commerce platforms on providing economic opportunities for low-income individuals, 12.5% disagree, and 2.5% strongly disagree. The mean score of 3.07 suggests a moderate level of agreement overall regarding the impact of e-commerce platforms on providing economic opportunities for low-income individuals. Results also show that respondents widely agree that access to information and communication technologies (ICTs) is essential for empowering the poor and reducing poverty. A significant majority (63.8%) strongly agrees, and 32.9% agree with this statement. Only a small proportion (2.5%) disagrees, and 0.8% strongly disagrees. The high mean score of 3.60 indicates a strong consensus among respondents regarding the importance of ICT access for poverty alleviation .

Views on the contribution of government support for technological innovation initiatives to Poverty alleviation are mixed. While a minority (11.7%) strongly agree and 26.2% agree with this assertion, a larger proportion (46.2%) disagree, and 15.8% strongly disagree. The mean score of 2.34 suggests a lack of consensus among respondents regarding the role of government support in technological innovation for poverty alleviation . Also, Respondents widely agree on the importance of education and training programs focused on technology and digital literacy for poverty reduction in Nigeria. A majority (52.9%) strongly agree, and 42.5% agree with this statement. 3.3% disagrees, and 1.2% strongly disagrees. The mean

score of 3.47 indicates a strong consensus among respondents regarding the crucial role of education and training in technology for poverty alleviation .

Results indicate that 25.4% strongly agree and 58.3% agree that technology firms and startups as beneficial for enhancing the scalability and impact of Poverty alleviation initiatives by microfinance institutions and banks, 14.6% disagree, and 1.7% strongly disagree. The mean score of 3.08 suggests moderate agreement overall regarding the potential benefits of collaboration with technology firms and startups. Views on whether microfinance institutions and banks should invest more in technological infrastructure to enhance the effectiveness of Poverty alleviation initiatives vary. While 28.8% strongly agree and 42.1% agree with this statement, 24.6% disagree, and 4.6% strongly disagree. The mean score of 2.95 indicates a moderate level of agreement, on technology firms and startups as beneficial for enhancing the scalability and impact of poverty alleviation initiatives by microfinance institutions and banks.

The grand mean of 3.19 for the relationship between technology and innovation on Poverty alleviation in Nigeria indicates a generally positive perception among respondents regarding the role of technology and innovation in addressing poverty. This finding suggests that, on average, respondents agree that technology and innovation have the potential to contribute significantly to Poverty alleviation efforts within the Nigerian context.

Table 4.7 shows a comprehensive analysis on Poverty alleviation in Nigeria, using descriptive statistics computed for each statement to reveal the frequencies, percentages, and mean on a four-point Likert-type scale (Strongly Agree (SA)=4, Agree (A)=3, Disagree (D)=2, Strongly Disagree (SD)=1

Table 4.7: Descriptive Analysis of Poverty Alleviation in Nigeria

Poverty alleviation in Nigeria	SA	A	D	SD	Mean
Adequate income levels significantly contribute to reducing poverty in Nigeria.	119 (49.6%)	99 (41.2%)	19 (7.8%)	3 (1.2)%	3.39
Increasing access to job opportunities and income-generating activities can effectively alleviate poverty in Nigerian communities.	153 (63.8%)	85 (35.4%)	2 (0.8%)	-	3.63
Government policies aimed at enhancing income distribution and reducing income inequality are essential for poverty alleviation .	72 (30.0%)	147 (61.2%)	17 (7.1%)	4 (1.7%)	3.20
Improved access to healthcare services plays a significant role in reducing poverty levels.	140 (58.3%)	98 (40.8%)	2 (0.8%)	-	3.57
Investing in healthcare facilities and services is crucial for poverty alleviation efforts in Nigeria.	128 (53.3%)	107 (44.6%)	4 (1.7%)	1 (0.4%)	3.51
Government initiatives focusing on accessible and affordable healthcare are effective strategies for reducing poverty.	71 (29.6%)	137 (57.1%)	23 (9.6%)	9 (3.8%)	3.13
Access to quality education significantly contributes to breaking the cycle of poverty in Nigeria.	134 (55.8%)	98 (40.8%)	8 (3.3%)	-	3.53
Investing in educational infrastructure and programs is essential for poverty alleviation efforts in Nigeria.	196 (81.7%)	39 (16.2%)	4 (1.7%)	1 (0.4%)	3.79
Government policies aimed at promoting education, including free or subsidized education programs, are effective in reducing poverty levels in Nigeria.	68 (28.3%)	131 (54.6%)	34 (14.2%)	7 (2.9%)	3.08
Strengthening income, healthcare, and education systems collectively leads to more sustainable poverty alleviation outcomes in Nigeria.	138 (57.5%)	97 (40.4%)	5 (2.1%)	-	3.55
Grand Mean = 3.44					

Source: Field Survey Results, 2024

Here's a comprehensive analysis of Poverty alleviation in Nigeria using the descriptive statistics provided in Table 4.7. Results indicate that nearly half of the respondents (49.6%) strongly agree, while 41.2% agree that adequate income levels are perceived to significantly contribute to reducing poverty in Nigeria. 7.8% disagree, and 1.2% strongly disagree. The mean score of 3.39 indicates a high level of agreement among respondents regarding the importance of adequate income levels in poverty reduction. Result also indicate that majority (63.8%) strongly agrees, and 35.4% agree that increasing access to job opportunities and income-generating activities is seen as an effective means of alleviating poverty in Nigerian communities. 0.8% disagrees. As there are no responses for "Strongly Disagree," the mean score 3.63 suggest strong support that increasing access to job opportunities and income-generating activities is an effective means of mitigating poverty in Nigerian communities.

Results indicate that 30.0% of respondents strongly agree and 61.2% agree that government policies aimed at enhancing income distribution and reducing income inequality are considered essential for poverty alleviation , 7.1% disagree, and 1.7% strongly disagree. The mean score of 3.20 indicates a moderate level of agreement among respondents regarding the importance of government policies in addressing income inequality for poverty alleviation . Also, majority (58.3%) strongly agree, and 40.8% agree that improved access to healthcare services is viewed as playing a significant role in reducing poverty levels, while 0.8% disagree. Also, over half of the respondents (53.3%) strongly agree, and 44.6% agree that investing in healthcare facilities and services is deemed crucial for Poverty alleviation efforts in Nigeria. 1.7% disagree, and 0.4% strongly disagree. The mean score of 3.51 indicates a high level of agreement among respondents regarding the importance of healthcare investment in poverty alleviation .

Results show that 29.6% of respondents strongly agree and 57.1% agree that government initiatives focusing on accessible and affordable healthcare are considered effective strategies for reducing poverty, 9.6% disagree, and 3.8% strongly disagree. The mean score of 3.13 suggests a moderate level of agreement among respondents regarding the effectiveness of healthcare initiatives in poverty reduction. A majority of respondents (55.8%) strongly agree, and 40.8% agree that access to quality education is perceived to significantly contribute to breaking the cycle of poverty in Nigeria. 3.3% disagree. Also, majority (81.7%) strongly agree, and 16.2% agree that investing in educational infrastructure and programs is deemed essential for Poverty alleviation efforts in Nigeria. 1.7% disagree, and 0.4% strongly disagree. The high mean score of 3.79 indicates strong consensus among respondents regarding the importance of educational investment in poverty alleviation .

Result indicate 28.3% of respondents strongly agree and 54.6% agree that government policies aimed at promoting education, including free or subsidized education programs, are seen as effective in reducing poverty levels in Nigeria 14.2% disagree, and 2.9% strongly disagree. The mean score of 3.08 indicates a moderate level of agreement overall regarding the effectiveness of government policies on education for poverty reduction. Also, majority (57.5%) strongly agree, and 40.4% agree that strengthening income, healthcare, and education systems collectively leads to more sustainable Poverty alleviation outcomes in Nigeria. 2.1% disagree, with a mean score of 3.55.

The grand mean of 3.44 of Poverty alleviation in Nigeria reflects a generally positive perception among respondents regarding efforts to address poverty in the country. This finding suggests that, on average, respondents agree that there are effective strategies and interventions in place to alleviate poverty within the Nigerian context.

4.2.2 Test of Hypotheses

Hypothesis One

H₀₁: Regulatory environment has no significant influence on poverty alleviation within Nigeria

The null hypothesis one which states that regulatory environment has no significant influence on Poverty alleviation within Nigeria was tested using simple linear regression analysis. In the analysis, the values of regulatory environment were regressed on the values of Poverty alleviation in Nigeria. The data for regulatory environment (independent variable) was generated by summing responses of all the items while Poverty alleviation in Nigeria (dependent variable) was generated by adding responses of all items used to measure the variable. The regression test results are presented in table 4.8.

Table 4.8: Summary of Regression Analysis for the Influence of the Regulatory Environment on Poverty Alleviation within Nigeria.

Model		F(df)	Anova Sig
R	0.333		
R Square	0.111	29.632 (1, 238)	0.000
Adjusted R Square	0.107		
Coefficients	Unstandardized Coefficients	T	Sig
(Constant)	18.794	6.534	0.000
Regulatory Environment on Poverty alleviation	0.599	5.443	0.000

a. Dependent Variable: Poverty alleviation in Nigeria

b. Predictors: (Constant), Regulatory Environment on Poverty alleviation

Source: Researcher's Field Survey Results (2024)

Table 4.8 shows the regression analysis conducted to examine the Influence of the Regulatory Environment on Poverty alleviation within Nigeria. The regression model showed an overall significant relationship between the regulatory environment and Poverty alleviation in Nigeria ($F(1, 238) = 29.632, p < 0.000$). The coefficient of determination (R Square) indicates that approximately 11.1% of the variance in Poverty alleviation can be explained by the regulatory environment variable. The constant term (intercept) in the model is 18.794, with a t-value of 6.534 and a p-value of < 0.001 . This suggests that when the regulatory environment variable is zero, the predicted Poverty alleviation score is 18.794.

The coefficient for the regulatory environment variable is 0.599, indicating that for every one-unit increase in the regulatory environment score, there is a predicted increase of 0.599 units in the Poverty alleviation score. This coefficient is statistically significant ($t = 5.443, p < 0.001$), indicating that the regulatory environment significantly influences Poverty alleviation in Nigeria.

The significant regression results suggest that the regulatory environment plays a crucial role in Poverty alleviation efforts within Nigeria. A higher regulatory environment score is associated with higher levels of poverty alleviation. This implies that effective regulatory policies and frameworks are essential for creating an enabling environment that supports poverty alleviation initiatives, particularly in the context of microfinance institutions and banks.

Hypothesis Two: Socioeconomic factors have no significant effect on poverty alleviation within the Nigerian context

The null hypothesis two which states that socioeconomic factors have no significant effect on poverty alleviation within the Nigerian context was tested using Multiple Regression Analysis. The multiple regression analysis was conducted to explore the effect of socioeconomic factors on poverty alleviation in Nigeria. The results are presented in table 4.9.

Table 4.9: Summary of Multiple Regression Analysis for the Effect of Socioeconomic Factors on Poverty Alleviation within the Nigerian Context

Model		F(df)	Anova Sig
R	0.979		
R Square	0.958	519.861(1, 238)	0.000
Adjusted R Square	0.956		
Coefficients	Unstandardized Coefficients	T	Sig
(Constant)	9.145	10.275	.000
Access to education	1.243	5.346	.000
Employment opportunities	.167	.859	.391
Income inequality	-.923	-3.127	.002
Access to quality healthcare	1.393	3.095	.002
Social welfare programs	1.425	6.923	.000
Infrastructure development	-.278	-1.043	.298
Access to affordable housing	2.351	8.087	.000
Gender equality	-.185	-.776	.439
Corruption and governance issues	1.139	4.459	.000

Socioeconomic empowerment programs	1.154	2.496	.013
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Dependent Variable: Poverty alleviation in Nigeria

Source: Researcher's Field Survey Results, 2024

From the results in table 4.9, the multiple regression analysis results conducted on the effect of socioeconomic factors on poverty alleviation within the Nigerian context reveal some significant findings. The R Square value of 0.958 indicates that approximately 95.8% of the variance in poverty alleviation can be explained by the socioeconomic factors included in the model. This high proportion suggests that the selected variables have a strong collective influence on poverty alleviation efforts in Nigeria. The significant ANOVA result ($F = 519.861, p < 0.001$) indicates that the overall regression model is statistically significant. This means that at least one of the independent variables has a significant relationship with the dependent variable, which in this case is poverty alleviation. The Adjusted R Square value of 0.956, which is close to the R Square value, suggests that the model is robust and not overly influenced by outliers or irrelevant variables. This further reinforces the reliability of the regression model in predicting poverty alleviation based on socioeconomic factors.

The results reveal that access to education ($\beta = 1.243, p < 0.001$) significantly impacts poverty alleviation, emphasizing its pivotal role in breaking the cycle of poverty through skill enhancement and increased opportunities. However, although employment opportunities ($\beta = 0.167, p = 0.391$) suggest a positive relationship, the lack of statistical significance ($p = 0.391$) implies that its influence on poverty alleviation in the model is not supported. Conversely, income inequality ($\beta = -0.923, p = 0.002$) exhibits a statistically significant negative association ($p = 0.002$) with poverty alleviation, emphasizing the need to address inequality for effective poverty alleviation. Similarly, access to quality healthcare ($\beta = 1.393, p = 0.002$) demonstrates a statistically significant positive impact ($p = 0.002$), highlighting the role of

improved healthcare access in reducing poverty. Additionally, social welfare programs ($\beta = 1.425$, $p < 0.001$) reveal a highly significant positive relationship ($p < 0.001$), underscoring the importance of effective social safety nets in supporting vulnerable populations and reducing poverty.

The analysis reveals that infrastructure development ($\beta = -0.278$, $p = 0.298$) lacks statistical significance ($p = 0.298$), indicating a lack of support for its relationship with poverty alleviation in the model. Conversely, access to affordable housing ($\beta = 2.351$, $p < 0.001$) exhibits a strong positive relationship ($p < 0.001$) with poverty alleviation, underlining the importance of adequate housing for stability and improved living conditions in reducing poverty. However, gender equality ($\beta = -0.185$, $p = 0.439$) does not show statistical significance ($p = 0.439$) in its impact on poverty alleviation within the model. On the other hand, corruption and governance issues ($\beta = 1.139$, $p < 0.001$) display a statistically significant positive relationship ($p < 0.001$) with poverty alleviation, emphasizing the need to address corruption for effective governance and resource allocation towards poverty reduction efforts. Furthermore, socioeconomic empowerment programs ($\beta = 1.154$, $p = 0.013$) demonstrate statistical significance ($p = 0.013$), indicating a positive relationship between such initiatives and poverty alleviation, suggesting that empowerment programs can enhance individuals' capacity to improve their socio-economic status and mitigate poverty.

Hypothesis Three: Technology & innovation have no significant relationship on Poverty alleviation in Nigeria

The null hypothesis three which states that technology & innovation has no significant relationship on Poverty alleviation in Nigeria was tested using correlation analysis to determine the relationship between the variables. The correlation results are presented in Table 4.10.

Table 4.10: Summary of Correlation Analysis for Technology & Innovation has no Significant Relationship on Poverty Alleviation in Nigeria

Variables	Mean	Std. Deviation	N	Coefficient	P-Value	Remark
Technology & Innovation on Poverty Alleviation	31.84	2.695	240	0.817	0.000	Sig.
Poverty alleviation in Nigeria	34.38	4.566	240			

Source: Researcher's Field Survey Results (2024)

From table 4.10, the correlation analysis conducted to examine the relationship between technology & innovation and Poverty alleviation in Nigeria revealed compelling insights. With a high positive correlation coefficient of 0.817, there exists a strong and significant relationship between technology & innovation and Poverty alleviation efforts in the country. This indicates that as levels of technology & innovation increase, so do the efforts aimed at reducing poverty.

The mean score for "technology & innovation on poverty alleviation" was found to be 31.84, with a standard deviation of 2.695, while "Poverty alleviation in Nigeria" had a mean score of

34.38, with a standard deviation of 4.566. This indicates the distribution and variability of responses within the dataset, providing context for the correlation findings.

The statistical significance of the correlation, as reflected by the p-value of 0.000, which is well below the conventional threshold of significance ($p < 0.05$), shows the robustness of the observed relationship. These findings indicate that technology & innovation indeed have a significant positive impact on Poverty alleviation efforts within the Nigerian context.

Hypothesis Four

H₀₄ Microfinance institutions have no significant effect on poverty alleviation within the context of the Nigerian economic landscape.

The null hypothesis one which states that Microfinance institutions have no significant effect on poverty alleviation within the context of the Nigerian economic landscape was tested using simple linear regression analysis. In the analysis, the values of microfinance institutions were regressed on the values of Poverty Alleviation in Nigeria. The data for microfinance institutions is the independent variable while Poverty alleviation in Nigeria is the dependent variable table 4.11.

Table 4.11: Summary of Regression Analysis for the Impact of Microfinance Institutions on Poverty Alleviation within the Context of the Nigerian Economic Landscape

Model		F(df)	Anova Sig
R	0.246		
R Square	0.061	23.158 (1, 238)	0.000
Adjusted R Square	0.058		
Coefficients	Unstandardized Coefficients	t	Sig
(Constant)	2.763	24.176	0.000
Microfinance Institutions on Poverty Alleviation	0.166	4.812	0.000

Source: Researcher's Field Survey Results, 2023

The regression analysis conducted to explore the impact of microfinance institutions (MFIs) on poverty alleviation within the Nigerian economic landscape yields significant results. The coefficient of determination (R Square) indicates that approximately 6.1% of the variance in poverty alleviation can be explained by the inclusion of the predictor variable (Microfinance Institutions on Poverty Alleviation) in the model. The adjusted R Square, which accounts for the number of predictors and sample size, remains consistent at 5.8%. This suggests that while the model has statistical significance, the proportion of variance explained is relatively modest.

The coefficient for the predictor variable "Microfinance Institutions on Poverty Alleviation" is statistically significant ($p < 0.001$), with a value of 0.166. This indicates that for every one-unit increase in the presence or effectiveness of microfinance institutions in addressing poverty, there is a corresponding increase of 0.166 units in the outcome variable of poverty alleviation. The t-value of 4.812 further confirms the significance of this relationship.

The findings suggest that microfinance institutions has a positive and significant impact on poverty alleviation within the Nigerian economic landscape. Despite the relatively low percentage of variance explained, the positive coefficient indicates that as microfinance institutions become more effective or prevalent, there is a corresponding improvement in poverty alleviation efforts in Nigeria.

Table 4.12: Summary of Findings

S/N	Hypotheses	Results	Remarks
1	H ₀₁ : Regulatory Environment Influences Poverty Alleviation	($R^2=0.111$, $F(1,238)=29.632$, $t= 5.443$ $p= 0.000$)	Reject H ₀₁
2	H ₀₂ : Socioeconomic Factors Impact Poverty Alleviation	($R^2=0.979$, $F(1,238)=519.861$, $p= 0.000$)	Reject H ₀₂
3	H ₀₃ : Technology & Innovation Affect Poverty Alleviation	($r = 0.817$, $p\text{-value} = 0.000$)	Reject H ₀₃

Source: Compiled by the Researcher, 2024

Table 4.12 above presents the result of the three null hypotheses tested about the role of microfinance institutions and banks in mitigating poverty from table 4.11, hypotheses one, two, and three, were rejected.

4.3 Discussion of Findings

The findings from the conducted hypotheses tests provide insightful perspectives on the relationship between microfinance institutions, environmental factors, and poverty alleviation, within the Nigeria context.

Regarding the influence of the regulatory environment on poverty alleviation (H₀₁), the regression analysis yielded significant results. The obtained R-squared value of 0.111

suggests that approximately 11.1% of the variance in Poverty alleviation can be explained by the regulatory environment. Moreover, both the F-statistic and the coefficient were found to be statistically significant ($F(1,238) = 29.632$, $t = 5.443$, $p = 0.000$), indicating a substantial impact of regulatory measures on Poverty alleviation. Thus, the hypothesis positing the regulatory environment's influence on Poverty alleviation is rejected. This finding aligns with the observations made in "Governance and Poverty Reduction: An Appraisal of Government Policies and Programs of Poverty Reduction in Nigeria" which identifies the absence of good governance, inconsistency in policies, and poor implementation as key reasons for the failure of previous poverty reduction measures⁴. The findings from the conducted hypotheses tests shed light on the intricate relationship between various factors and Poverty alleviation in Nigeria. It also aligns with the findings of a scholar who observed a positive and significant relationship between microfinance institutions and Poverty alleviation. The scholars recommended providing a conducive environment for microfinance institutions resonates with the notion that regulatory frameworks can facilitate poverty reduction efforts⁵. This also aligns with the recommendations provided by a scholar where stimulating economic growth, undertaking institutional reforms, and prioritizing the basic needs of the poor are highlighted as crucial strategies⁶. Effective regulation can facilitate these initiatives by creating an environment conducive to economic development and ensuring equitable distribution of resources.

Concerning the impact of socioeconomic factors on poverty alleviation (H_{02}), the multiple regression analysis conducted on the effect of socioeconomic factors on poverty alleviation within the Nigerian context yielded significant findings. With an R Square value of 0.958, approximately 95.8% of the variance in poverty alleviation can be explained by the included socioeconomic factors, indicating a strong collective influence on poverty reduction efforts. The significant ANOVA result ($F = 519.861$, $p < 0.001$) confirms the overall statistical

significance of the regression model, implying that at least one independent variable has a significant relationship with poverty alleviation. The Adjusted R Square value of 0.956 suggests that the model is robust and not overly influenced by outliers or irrelevant variables, reinforcing its reliability in predicting poverty alleviation based on socioeconomic factors. Specifically, access to education emerged as a significant factor ($\beta = 1.243$, $p < 0.001$), highlighting its pivotal role in breaking the poverty cycle through skill enhancement and increased opportunities. Conversely, employment opportunities ($\beta = 0.167$, $p = 0.391$) lacked statistical significance, suggesting limited influence on poverty alleviation. Income inequality ($\beta = -0.923$, $p = 0.002$) demonstrated a significant negative association, emphasizing the need to address inequality for effective poverty alleviation. Access to quality healthcare ($\beta = 1.393$, $p = 0.002$) and social welfare programs ($\beta = 1.425$, $p < 0.001$) also showed significant positive relationships with poverty alleviation. Infrastructure development ($\beta = -0.278$, $p = 0.298$) lacked statistical significance, while access to affordable housing ($\beta = 2.351$, $p < 0.001$) demonstrated a strong positive relationship. Gender equality ($\beta = -0.185$, $p = 0.439$) did not show statistical significance, whereas corruption and governance issues ($\beta = 1.139$, $p < 0.001$) and socioeconomic empowerment programs ($\beta = 1.154$, $p = 0.013$) exhibited significant positive relationships with poverty alleviation. These findings underscore the multifaceted nature of poverty alleviation efforts, emphasizing the importance of addressing various socioeconomic factors for effective poverty alleviation in Nigeria.

These results of the regression analysis on the impact of socioeconomic factors on poverty alleviation within the Nigerian context align with and complement the findings presented in this study. The observation that income inequality, although not statistically significant in the regression analysis, may still play a crucial role in poverty behavior resonates with the findings as cited in the study, highlights the significance of growth as a primary factor

influencing poverty trends, while acknowledging the role of income distribution in shaping poverty outcomes. This suggests that while income inequality may not emerge as a major cause of poverty in the regression analysis, it remains an important consideration in understanding poverty dynamics in Nigeria, as emphasized by the broader study⁷.

Furthermore, some scholars emphasize the significant negative association between access to education and poverty alleviation, corroborating the findings of the study regarding the transformative impact of education on poverty alleviation. The study's focus on the role of education in equipping individuals with essential skills and opportunities aligns with the analysis results, underscoring the importance of educational interventions in breaking the poverty cycle and fostering socio-economic empowerment⁸. Additionally, the study's insights into the impact of political stability, infrastructure development, and unemployment on poverty dynamics complement the regression analysis findings, providing valuable context for interpreting these relationships. The scholars' observations regarding the negative relationship between political stability and poverty, as well as the negative coefficient associated with infrastructure development, resonate with the analysis results, highlighting the multifaceted nature of poverty alleviation efforts in Nigeria⁶.

Moreover, the study's emphasis on the positive correlation between unemployment and poverty, as well as the role of corruption and governance issues in shaping poverty outcomes. By highlighting the detrimental effects of unemployment and corruption on poverty reduction efforts, this study underscores the importance of addressing systemic barriers to poverty alleviation⁷.

Exploring the relationship between technology and innovation and poverty alleviation (H₀₄), correlation analysis uncovered a positive correlation. The correlation coefficient of 0.817, significant at $p < 0.001$, indicates a strong association between technology and poverty

alleviation efforts. This finding resonates with the call for infrastructural development and technological advancements outlined in this work⁸. Moreover, it complements the discussion on unemployment and income inequality in this study, highlighting the potential of technology and innovation in creating productive job opportunities and addressing income disparities. This finding aligns with the recommendations of this scholar, who emphasizes promoting innovation and entrepreneurship as essential components of poverty reduction strategies⁹.

This study provides quantitative evidence of the strong association between technology and poverty alleviation, the study offers qualitative insights into the strategic initiatives and policy interventions aimed at harnessing ICT for socio-economic empowerment and job creation in Nigeria. The study underscores the pivotal role of ICT in promoting innovation, investment, and competition, as articulated in the eight-point agenda within the National Communication Commission's (NCC) strategic vision 2015-2020. By facilitating the rollout of broadband infrastructure and promoting broadband services accessibility, the NCC aims to create opportunities for all Nigerians, particularly youths, to participate in the digital economy and harness the transformative potential of ICT for poverty reduction. This aligns with the analysis findings, which highlight the significant positive relationship between technology and poverty alleviation, emphasizing the importance of ICT-driven initiatives in addressing socio-economic disparities and fostering inclusive growth¹⁰.

Furthermore, the results and recommendations from other studies complement the findings of the present study. For instance, the study by this author on the impact of microfinance banks on poverty alleviation in Nigeria provides empirical evidence supporting the efficacy of microfinance as a strategy for poverty reduction¹¹. The positive relationship between access to microloans and the standard of living of respondents underscores the importance of

financial inclusion in poverty alleviation efforts, which resonates with the findings of the current study regarding the role of socioeconomic factors. This finding echoes the importance of financial development and access to credit, as discussed in the study¹². While the strength of banking channels and access to credit may not alone lead to substantial poverty alleviation, the integration of technology and innovation can enhance the effectiveness of poverty alleviation initiatives¹³.

The study's findings provide valuable insights into how MFIs and banks can effectively contribute to poverty alleviation efforts in Nigeria. The significant influence of the regulatory environment on poverty alleviation underscores the importance of supportive policies and regulations for financial institutions. A conducive regulatory framework enables MFIs and banks to operate efficiently, expand their outreach to underserved populations, and offer a diverse range of financial products and services tailored to meet the needs of low-income individuals and communities. The profound impact of socioeconomic factors on poverty alleviation highlights the multifaceted nature of poverty reduction efforts. Factors such as access to education, income inequality, healthcare, and social welfare programs emerged as significant determinants of poverty reduction. For MFIs and banks, addressing these socioeconomic challenges requires innovative approaches to financial inclusion. By providing microcredit, savings accounts, insurance, and other financial services, MFIs and banks can empower individuals to improve their livelihoods, access essential services, and build resilience against economic shocks. Moreover, the positive relationship between technology and poverty alleviation underscores the transformative potential of digital financial services. In Nigeria, leveraging technology can enhance the accessibility, affordability, and efficiency of financial services, particularly for underserved populations in remote areas. Mobile banking, digital payments, and fintech innovations offer promising

avenues for expanding financial inclusion, reducing transaction costs, and improving the overall customer experience^{14,15}.

The regression analysis conducted to explore the impact of microfinance institutions (MFIs) on poverty alleviation within the Nigerian economic landscape yielded significant results. The coefficient of determination (R Square) indicated that approximately 6.1% of the variance in poverty alleviation could be explained by the inclusion of the predictor variable "Microfinance Institutions on Poverty Alleviation" in the model. However, the adjusted R Square, which accounts for the number of predictors and sample size, remained consistent at 5.8%. This suggests that while the model had statistical significance, the proportion of variance explained was relatively modest.

The coefficient for the predictor variable "Microfinance Institutions on Poverty Alleviation" was statistically significant ($p < 0.001$), with a value of 0.166. This indicated that for every one-unit increase in the presence or effectiveness of microfinance institutions in addressing poverty, there was a corresponding increase of 0.166 units in the outcome variable of poverty alleviation. The associated t-value of 4.812 further confirmed the significance of this relationship.

These findings suggest that microfinance institutions have a positive and significant impact on poverty alleviation within the Nigerian economic landscape. Despite the relatively low percentage of variance explained, the positive coefficient indicated that as microfinance institutions became more effective or prevalent, there was a corresponding improvement in poverty alleviation efforts in Nigeria.

This results contradict these scholars results, indicating that microfinancing, contrary to expectations, increased poverty in the long run. They emphasized the importance of proper utilization of microfinance loans to ensure poverty reduction¹. On the other hand, these

scholars highlighted the long-term effects of microfinance banks' activities on poverty reduction, suggesting that while immediate impacts may be limited, microfinance initiatives contribute to poverty reduction over time². Another scholars also underscored the significance of microfinance banks in poverty alleviation and economic growth in Nigeria, albeit with varying effects on different aspects such as asset, deposit liabilities, and loans and advances³.

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Chapter Five

Conclusion

This chapter discusses the summary of the findings, conclusions, and recommendations of the study. The findings of this study concisely summarize the contributions of the study to knowledge whilst also emphasizing respective limitations to study as well as suggestions for further studies.

5.1 Summary of Findings

On the study microfinance institutions, environmental factors, and poverty alleviation, focusing on the current economic situation in Nigeria The regression analysis investigating the impact of microfinance institutions (MFIs) on poverty alleviation within the Nigerian economic landscape revealed significant results. Approximately 6.1% of the variance in poverty alleviation could be explained by the inclusion of the predictor variable "Microfinance Institutions on Poverty Alleviation" in the model, with a coefficient of 0.166 indicating a positive and statistically significant relationship.

The results of the regression analysis examining the influence of the regulatory environment on poverty alleviation revealed significant findings. The substantial R-squared value of 0.111 suggests that approximately 11.1% of the variance in poverty alleviation can be explained by regulatory measures. Both the F-statistic and the coefficient were found to be statistically significant, indicating a notable impact of the regulatory environment on poverty alleviation. This contradicts the hypothesis suggesting the regulatory environment's minimal influence on poverty alleviation. Instead, the findings underscore the importance of effective regulatory measures in shaping socio-economic conditions conducive to poverty alleviation.

Moving on to the impact of socioeconomic factors on poverty alleviation, the multiple regression analysis yielded compelling results within the Nigerian context. The exceptionally high R-squared value of 0.958 indicates that approximately 95.8% of the variance in poverty alleviation can be attributed to the included socioeconomic factors, emphasizing their collective influence on poverty alleviation efforts. The significant ANOVA result further confirms the overall statistical significance of the regression model, highlighting at least one independent variable's substantial relationship with poverty alleviation. Factors such as access to education, income inequality, healthcare, and social welfare programs emerged as significant determinants of poverty reduction. MFIs and banks can address these challenges by providing tailored financial solutions, such as microcredit, savings accounts, and insurance, to empower individuals and communities to improve their livelihoods and access essential services.

Specifically, access to education emerged as a significant factor, underlining its pivotal role in breaking the poverty cycle through skill enhancement and increased opportunities. However, employment opportunities lacked statistical significance, suggesting limited influence on poverty alleviation. Income inequality demonstrated a significant negative association, emphasizing the imperative of addressing inequality for effective poverty alleviation. Access to quality healthcare and social welfare programs also showed significant positive relationships with poverty alleviation, highlighting the multifaceted nature of poverty alleviation efforts.

Although infrastructure development lacked statistical significance, access to affordable housing demonstrated a strong positive relationship with poverty alleviation. Gender equality did not show statistical significance, while corruption and governance issues, along with

socioeconomic empowerment programs, exhibited significant positive relationships with poverty alleviation.

Furthermore, the correlation analysis exploring the relationship between technology, innovation, and poverty alleviation revealed a significant positive correlation, indicating a strong association between technology adoption and poverty alleviation efforts. This underscores the transformative potential of technology in addressing poverty by enhancing access to information, education, and economic opportunities. Moreover, the positive correlation between technology adoption and poverty alleviation highlights the transformative potential of digital financial services. By leveraging technology, MFIs and banks can enhance the accessibility, affordability, and efficiency of financial services, particularly for underserved populations in remote areas. Mobile banking, digital payments, and fintech innovations offer promising avenues for expanding financial inclusion, reducing transaction costs, and improving the overall customer experience.

5.2 Conclusion

In conclusion, this study sheds light on the intricate dynamics of poverty alleviation in the Nigerian economic landscape, particularly within the context of microfinance institutions (MFIs). The analysis indicates that microfinance institutions play a significant role in poverty alleviation within the Nigerian economic landscape. Despite explaining a relatively modest proportion of the variance in poverty alleviation, the positive and statistically significant relationship between the presence or effectiveness of microfinance institutions and poverty reduction suggests their importance in addressing economic disparities. The research also reveals that effective regulatory measures play a pivotal role in shaping the operating environment for MFIs. Transparent and supportive regulations enable financial institutions to expand their reach, innovate financial products, and enhance their contribution to poverty

alleviation. Policymakers must prioritize regulatory frameworks that foster financial inclusion, consumer protection, and institutional stability to maximize the impact of MFIs on poverty alleviation. Moreover, the study highlights the multifaceted nature of poverty alleviation, emphasizing the importance of addressing various socioeconomic factors. Access to education, income inequality, healthcare, and social welfare programs emerged as significant determinants of poverty reduction. MFIs can leverage their resources and expertise to provide tailored financial solutions that empower individuals and communities to overcome poverty-related challenges.

Furthermore, the positive correlation between technology adoption and poverty alleviation underscores the transformative potential of digital financial services. By embracing technological innovations, MFIs can enhance financial access, affordability, and efficiency, particularly for underserved populations. Mobile banking, digital payments, and fintech solutions offer promising avenues for expanding financial inclusion and driving sustainable development. In essence, this study underscores the critical role of MFIs in poverty alleviation efforts in Nigeria. By aligning their strategies with the study's insights and collaborating with stakeholders across sectors, financial institutions can catalyze inclusive economic growth, social equity, and poverty alleviation. With concerted efforts and targeted interventions, MFIs can contribute significantly to building a more prosperous and resilient society for all Nigerians.

5.3 Recommendations

Based on the findings of this study on the role of microfinance institutions (MFIs) in alleviating poverty in Nigeria, several recommendations can be proposed:

1. Policymakers should prioritize regulatory reforms aimed at enhancing the enabling environment for MFIs. Transparent and supportive regulatory frameworks should be developed to promote financial inclusion, consumer protection, and institutional stability. Additionally, policymakers should streamline bureaucratic processes and address regulatory barriers to facilitate the expansion of financial services to underserved populations.
2. Stakeholders, including government agencies, development partners, and non-governmental organizations, should invest in capacity building initiatives for MFIs. Training programs focused on risk management, product innovation, and technology adoption can enhance the operational efficiency and sustainability of financial institutions. Furthermore, initiatives to improve financial literacy among clients can empower individuals to make informed financial decisions and maximize the benefits of financial services.
3. Efforts to promote financial inclusion should be intensified, particularly in rural and marginalized communities. MFIs should leverage innovative delivery channels, such as mobile banking and agent banking, to reach unbanked populations effectively. Collaboration with telecommunications companies, fintech startups, and community-based organizations can facilitate the expansion of financial services to remote areas and underserved populations.
4. MFIs should diversify their product offerings to address the diverse financial needs of clients. Tailored financial products, such as microloans, savings accounts, insurance products, and agricultural finance solutions, can cater to the specific needs of different customer segments. Moreover, the development of innovative financial products, such as digital lending platforms and peer-to-peer lending networks, can expand access to credit and promote entrepreneurship among low-income individuals.

5. Embracing technological innovations is essential for enhancing the efficiency, accessibility, and affordability of financial services. MFIs should invest in digital infrastructure, such as mobile banking platforms, automated teller machines (ATMs), and online banking portals, to improve service delivery and customer experience. Additionally, partnerships with fintech companies can facilitate the integration of cutting-edge technologies, such as blockchain and artificial intelligence, to enhance the security and scalability of financial transactions.
6. Robust monitoring and evaluation mechanisms should be established to assess the impact of poverty alleviation initiatives. MFIs should regularly collect and analyze data on key performance indicators, such as loan disbursements, repayment rates, and client satisfaction levels, to track progress towards poverty reduction goals. Furthermore, impact assessments should be conducted to measure the social and economic outcomes of financial inclusion interventions and inform evidence-based decision-making.

5.4 Contributions to Knowledge

The findings of this study make several significant contributions to the existing body of knowledge on poverty alleviation and the role of microfinance institutions (MFIs) in Nigeria.

Some of the key contributions include:

1. The study provides empirical evidence on the effectiveness of MFIs in alleviating poverty in Nigeria. By conducting regression analyses and correlation studies, it offers insights into the relationship between financial services, socioeconomic factors, technology adoption, and poverty reduction outcomes.
2. The study offers valuable insights for policymakers and regulatory authorities seeking to formulate evidence-based policies to promote financial inclusion and poverty

alleviation. The the findings can inform the design and implementation of policy interventions aimed at enhancing the enabling environment for MFIs.

3. Practitioners in the field of microfinance and banking can benefit from the practical guidance provided by the study. The study offer actionable strategies for improving the delivery of financial services, expanding outreach to underserved populations, and fostering innovation in product development and technology adoption.
4. The study contributes to academic literature by advancing knowledge on the role of financial institutions in poverty mitigating efforts. Researchers and scholars can build upon the findings of this study to conduct further investigations into specific aspects of financial inclusion, such as the impact of digital finance, the effectiveness of microcredit programs, and the role of social capital in enhancing access to financial services.
5. The study underscores the importance of cross-sector collaboration in addressing complex social and economic challenges such as poverty. By highlighting the complementary roles of government agencies, financial institutions, civil society organizations, and development partners, it advocates for coordinated efforts towards achieving sustainable development goals and inclusive growth.

5.5 Suggested Areas for Further Research

Building on the findings of this study, several areas emerge as promising avenues for further research:

Conducting longitudinal studies to track the impact of microfinance interventions and banking services on poverty alleviation would provide valuable insights into the sustainability of poverty reduction outcomes. Long-term assessments can help identify trends, challenges, and opportunities for enhancing the effectiveness of financial inclusion initiatives.

Investigating how technological innovations, such as mobile banking, digital payments, and blockchain technology, influence access to financial services and poverty alleviation outcomes could deepen our understanding of the role of technology in driving financial inclusion.

Conducting context-specific analyses to explore how factors such as regional disparities, cultural norms, and institutional environments shape the effectiveness of microfinance and banking interventions in different socio-economic contexts within Nigeria and across other developing countries.

Undertaking comprehensive social impact assessments to evaluate the broader socio-economic implications of microfinance and banking interventions beyond traditional poverty measures. This could include assessing changes in livelihoods, empowerment levels, gender dynamics, and social cohesion within target communities.

Researching the design, implementation, and impact of innovative financial products tailored to the needs of specific population segments, such as women entrepreneurs, rural farmers, and youth populations. Exploring the effectiveness of microinsurance, savings mobilization schemes, and financial literacy programs in enhancing financial resilience and well-being.

Conducting rigorous evaluations of policy interventions aimed at promoting financial inclusion and poverty alleviation to assess their effectiveness, efficiency, and equity. Comparative studies across regions or countries with varying policy frameworks can offer valuable lessons for policymakers and practitioners.

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Questionnaire

Faculty of Management and Social Sciences, Department of Management & Accounting,
Lead City University, Ibadan

Questionnaire on Microfinance Institutions, Environmental Factors, and Poverty

Alleviation: A Contemporary Analysis of the Nigerian Economic Landscape

Dear Respondent,

The research is a MSc research of the above named institution carrying out a research topic on **“Microfinance Institutions, Environmental Factors, and Poverty Alleviation: A Contemporary Analysis of the Nigerian Economic Landscape”**. The study is designed purely for academic purpose. Every information will be kept confidential

Thanks.

Instruction: Respondents are humbly requested to approach each item by ticking (✓) the best options in one of the following spaces stipulated below.

Section A: Demographic Data

1. **Gender:** Male () Female ()
2. **Ages:** 18 – 30() 31 – 40 () 41 – 50 () 51- 60() 61-above ()
3. **Educational Qualification:** SSCE () OND/HND () Bachelor’s Degree () Master’s Degree () Doctorate ()
4. **Employment Status:** Employed () Unemployed () Self-employed () Student () Retired ()
5. **Monthly Income Level:** Below ₦50,000 () ₦50,000 - ₦100,000 () ₦101,000 - ₦200,000 () ₦201,000 - ₦500,000 () Above ₦500,000 ()

Section B

Please kindly tick (✓) the appropriate answer, ranging from, SA-Strongly Agree, A-Agree, D-disagree, SD- Strongly Disagree.

Part A: Influence of the Regulatory Environment on Poverty Alleviation

S/N	Items	SA	A	D	SD
1	The current regulatory environment facilitates Poverty alleviation efforts by microfinance institutions.				
2	Regulatory policies effectively address the challenges faced by microfinance institutions in reaching marginalized communities.				
3	Compliance with regulatory requirements enhances the ability of microfinance institutions to provide inclusive financial services to the poor.				
4	There are inconsistencies in the current regulatory framework that impede poverty alleviation efforts through microfinance institutions.				
5	Regulatory authorities collaborate effectively with microfinance institutions to address poverty-related challenges.				
6	Regulatory reforms are necessary to enhance the effectiveness of microfinance institutions in alleviating poverty.				
7	Changes in the regulatory environment can lead to improved access to financial services for the poor.				
8	The regulatory framework considers the needs and				

	challenges of microfinance institutions involved in Poverty alleviation .				
9	Regulatory compliance poses significant barriers to the operation of microfinance institutions in poverty alleviation .				
10	The regulatory environment supports the successful implementation of poverty alleviation programs by microfinance institutions.				

Part B: Socioeconomic Factors on Poverty Alleviation

S/N	Items	SA	A	D	SD
1	Access to education plays a crucial role in breaking the cycle of poverty.				
2	Employment opportunities are equally accessible to all socioeconomic groups.				
3	Income inequality hinders poverty alleviation efforts.				
4	Access to quality healthcare services is a critical factor in Poverty alleviation .				
5	Social welfare programs effectively target and assist impoverished communities.				
6	Infrastructure development contributes to poverty reduction.				
7	Access to affordable housing is an important aspect of Poverty alleviation .				
8	Gender equality initiatives have positively impacted				

	Poverty alleviation .				
9	Corruption and governance issues hinder socioeconomic progress and poverty reduction.				
10	Socioeconomic empowerment programs are effective tools for Poverty alleviation .				

Part C: Relationship between Technology & Innovation on Poverty Alleviation in Nigeria

S/N	Items	SA	A	D	SD
1	Technology and innovation play a significant role in advancing Poverty alleviation .				
2	Adoption of digital financial services has the potential to enhance financial inclusion and Poverty alleviation .				
3	Mobile banking solutions have effectively reached underserved populations.				
4	Investment in technological infrastructure is crucial for sustainable Poverty alleviation .				
5	E-commerce platforms have provided new economic opportunities for low-income individuals.				
6	Access to information and communication technologies (ICTs) is essential for empowering the poor and reducing poverty.				
7	Government support for technological innovation initiatives contributes to Poverty alleviation .				
8	Education and training programs focused on technology				

	and digital literacy are crucial for poverty reduction in Nigeria.				
9	Collaboration with technology firms and startups can enhance the scalability and impact of Poverty alleviation initiatives by microfinance institutions.				
10	Microfinance institutions should invest more in technological infrastructure to enhance the effectiveness of poverty alleviation initiatives.				

Part D: Poverty Alleviation in Nigeria

S/N	Items	SA	A	D	SD
1	Adequate income levels significantly contribute to reducing poverty in Nigeria.				
2	Increasing access to job opportunities and income-generating activities can effectively alleviate poverty in Nigerian communities.				
3	Government policies aimed at enhancing income distribution and reducing income inequality are essential for Poverty alleviation .				
4	Improved access to healthcare services plays a significant role in reducing poverty levels.				
5	Investing in healthcare facilities and services is crucial for Poverty alleviation efforts in Nigeria.				
6	Government initiatives focusing on accessible and affordable healthcare are effective strategies for reducing				

	poverty.				
7	Access to quality education significantly contributes to breaking the cycle of poverty in Nigeria.				
8	Investing in educational infrastructure and programs is essential for Poverty alleviation efforts in Nigeria.				
9	Government policies aimed at promoting education, including free or subsidized education programs, are effective in reducing poverty levels in Nigeria.				
10	Strengthening income, healthcare, and education systems collectively leads to more sustainable Poverty alleviation outcomes in Nigeria.				

Bio-data

A. Personal Data

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B. Educational Background with Dates

1. Educational Institutions Attended with Dates and Qualifications
 - Lead City University, Ibadan MSc Finance In-view
 - Federal Polytechnic Ede, Osun State HND 2005
 - Senior Secondary Certificate Examination 2001
2. Academic Qualifications Obtained (with dates):
3. Professional Qualifications with Dates:
 - Associate of Chartered Institute of Bankers 2022
 - Associate Member of the Institute of Chartered Accountants of Nigeria 2017
 - Accounting Technician Scheme (ATS 1,2, & 3) 1998 – 2001

C. Working Experience with Dates

- **Central Bank of Nigeria**, Other Financial Institutions Supervision Department
Position: Bank Examiner 2018 till date

- **Central Bank of Nigeria, Ibadan Branch**

Position: Customer Service and Reconciliation Officer 2010 – 2018

- **Nigeria Gas Company, a Subsidiary of NNPC (NYSC)**

Position: Accounts Officer 2006 – 2007

D. Award and Fellowship (if any)

E. Member of Academic Professional Bodies

- Chartered Institute of Bankers
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F. Publication (s)

G. Major Conferences Attended with Dates

- Annual Accountants' Conference and MCPE (ICAN) Training 2021
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The University Compliance Certification

This is to certify that this thesis was written by **Ibukun Adetoun ABULUDE** with Matriculation number **LCU/PG/001799**, in the Department of Management & Accounting, Faculty of Management and Social Sciences, Lead City University, Ibadan in full compliance with approved University format and style.

Signature

Date

Lead City University Ibadan DO NOT COPY