

**Micro, Small and Medium Enterprises Financing and Poverty Level in
North-Central Nigeria**

**Sunday Ade BELLO
LCU/PG/002428**

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Faculty of Management & Social Sciences, Lead City University, Ibadan, Oyo State,
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Certification

This is to certify that **Sunday Ade BELLO** with matriculation number **LCU/PG/002428** carried out this research work titled “**Micro, Small and Medium Enterprises Financing and Poverty Level in North-Central Nigeria**” in the Department of Management & Accounting, Faculty of Management and Social Sciences, Lead City University, Ibadan, Oyo state, Nigeria for the award of Doctor of Philosophy Degree (Ph.D) in Finance and that this work has not been previously submitted.

Prof. G. E. Oyedokun
Supervisor

Date

Dr. T. M. Akinbo
Head of Department

Date

Dedication

This research work is dedicated to God Almighty.

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Acknowledgment

All glory to God Almighty for His grace thus far from the beginning of the Ph.D. programme to this day. I am grateful to the management of Lead City University for this great opportunity to complete this academic feat and to consolidate on my academic success.

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Abstract

This study examined Micro, Small and Medium Enterprises Financing and Poverty Level in North-Central Nigeria. The focus of the study was on the six states of the North-Central Nigeria, one of the impoverished regions in the country. The effect of MSMEs access to credit services, turnover, profitability and employment creation on the poverty level in North-Central Nigeria was investigated in the course of the study. The study was anchored on the integrative theory. Convergent parallel design, a mixed-methods design was used. The population of the study included all the 5, 757,817 micro, small and medium enterprises in the North-Central Nigeria. The two-stage cluster sampling technique was adopted to obtain a total sample size of 384 respondents. Data for the study was collected through in-depth interviews, online surveys, and a well-structured questionnaire and analyzed using descriptive statistical methods and Ordinal Regression Method (ORM). The study revealed that MSMEs access to credit services has a negative impact on poverty level in North-central Nigeria as a unit change in MSMEs access to credit services will bring about 48.3% decreases in poverty level, also, MSMEs turnover has a negative and significant impact on the poverty level, a unit change or 1% change in MSMEs turnover will bring about a 23.6% decrease in poverty level. According to the study, since poverty is a mindset and a way of life, investing in training and character reform at the individual level is the only way to alleviate or eradicate poverty and any policy intended to combat poverty must be created in a way that ensures a successful, realistic, advantageous, and fruitful change in people's behaviour. The study concluded that formal and informal financing opportunities to help grow the MSMEs sector of the economy will significantly help to increase MSMEs operations and assist in alleviating the level of poverty in the North-central Nigeria. The study therefore recommended that Micro, Small and Medium Enterprises in the North-central, Nigeria should be empowered through different financing means such as low interest loan from Commercial banks, Microfinance banks, International development agencies, grant/support from the Central Bank of Nigeria and some of its agencies.

Keywords: MSMEs, MSMEs Challenges, MSMEs Financing, North-Central Nigeria, Poverty.

Word Count: >300

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List of Acronyms

Abbreviation	Meaning
ADB/ESL	African Development Bank Export Stimulation Loan
BDSPs	Business Development Service Providers
BOI	Bank of Industry
BUDFOW	Business Development Fund for Women
COVID-19	Coronavirus Disease, 2019
DFID	Department for International Development
DFIs	Development Finance Institutions
FMWASD	Federal Ministry of Women Affairs and Social Development
GDP	Gross Domestic Product
GEL	Graduate Employment Loan
GTZ	German Technical Cooperation Agency
ICON	Investment Company of Nigeria
IDA	International Development Association
ILO	International Labour Organization
IMF	International Monetary Fund
IPPF	Planned Parenthood Federation
MDG	Millennium Development Goals
MSMEDF	Micro, Small and Medium Enterprises Development Fund
MSMEs	Micro, Small and Medium Enterprises
NBCI	Nigerian Bank for Commerce and Industry
NBS	National Bureau of Statistics

NEDEP	National Enterprise Development Programme
NERFUND	National Economic Reconstruction Fund
NGO	Non-Governmental Organizations
NIDB	Nigerian Industrial Development Bank
NYSC	National Youth Service Corps
SAP	Structural Adjustment Programme
SDG	Sustainable Development Goals
SMECGS	Small and Medium Enterprises (SMEs) Credit Guarantee Scheme
SMEDAN	Small and Medium Enterprises Development Agency
TCF	Targeted Credit Facility
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund International
UNPFA	World Bank, United Nations Population Fund
WHO	World Health Organization
WPC	World Poverty Clock

Chapter One

Introduction

1.1 Background to the Study

Micro, Small, and Medium Enterprises (MSMEs) sector is very important to the economic fortune of a nation. The sector is responsible for contributing immensely as the catalyst to economic rejuvenation due to its capacity to create jobs and increase the gross domestic products of a country. MSMEs represent about 90% of businesses and more than 50% of employment worldwide, formal SMEs contribute up to 40% of national income (GDP) in emerging economies. Ninety six percent of the businesses in Nigeria are MSMEs contributing 50% to the National GDP. It can be further stressed that 73% of MSMEs are sole proprietorships; 14% are private limited liability companies while 13% are Partnerships, while the MSMEs run by women account for only 23% and the age group of MSMEs owners' ranges from 20 to 60 years old⁸.

Micro, Small and Medium Enterprises can be defined based on peoples' opinion of the concept and the definition varies from one country to the other; while some define MSMEs in terms of total revenue, other use the number of employees as basis for categorization. A medium-sized enterprise has 250 employees, a small firm has less than 50 employees and a microenterprise has a maximum of 10 employees. Small and Medium Enterprises can be defined using three qualitative criteria; the number of employees; total assets in U.S. dollars and annual sales in U.S. dollars¹. Therefore, to qualify as SMEs, the business must be able to meet the quantitative criteria of number of employees and at least one financial criterion. In Nigeria, a small enterprise is one with an annual turnover of less than ₦25

million and a medium enterprise is one with an annual turnover of between ₦25 million to ₦100 million². From the above, it can be summarised that the parameters for defining MSMEs include; capital investment on plant and machinery; number of workers employed and volumes of production or turnover of business. Micro, Small and Medium Enterprises (MSMEs) Performance in the context of this study is equated to the level of poverty as a result of MSMEs activities.

Growing the MSMEs sector has being the concern of every government most especially in the developing countries. The Sustainable Development Goals (SDG) projection was to eradicate poverty by 2030 and one of the practical ways to achieve this feat is for the government, international agencies and other philanthropists to look for ways to support the massive creation, growth and development of the Micro, Small and Medium Enterprises (MSMEs) sector due to its importance as catalyst of industrial growth, employment generation, poverty reduction and human capital development³. Whilst the MSMEs are an important part of the business landscape in any country, they are faced with many challenges that inhibit their ability to function and contribute greatly to the economic growth of many African countries. The position in Nigeria is not different from this generalized position.

The factors inhibiting the performance and growth of the MSMEs sector in Nigeria include; lack of access to finance, lack of workspace, lack of skilled manpower, multiplicity of taxes, inconsistency policies, weak infrastructure, lack of entrepreneurship and vocational training, obsolete equipment, lack of access to research and development, lack of access to quality information and advice, technological disruption (that is, lack of access to technology especially for marketing of products) and high cost of doing business, among

others⁴⁵. MSMEs growth is affected by several problems, some of which include; insufficient income base, inadequate market research, lack of business strategy, inexperience, cut-throat competition, as well as inadequate entrepreneurial skills. Also, access to capital, poor operating environment and high illiteracy rate remain limiting factors⁶.

This gap in finance for MSMEs operating in Nigeria is about N617.3 billion annually prior to the advent of the coronavirus pandemic⁷. In 2018, less than 1% of the total commercial credit went to the MSMEs sector⁶; while not up to 5% of MSMEs owners were able to access the required finance for working capital and business expansion though the sector was still able to contribute about 50% to the country's GDP³.

Lack of access to finance coupled with the neglect or less attention given to empowering the women population of the country are parts of the reasons for the endemic poverty in Nigeria. Women account for about 49% of the total population of Nigeria; one out of every four women in the sub-Saharan Africa is a Nigerian; 41% totalling 23 million micro business owners in Nigeria are women; 20% of enterprises in the formal sector are owned by women while 12% of Directors of corporate organisations are women⁸. Therefore, not given women the same opportunity given to men is also a major contributing factor to poverty.

Poverty is deep-rooted, endemic and a multifaceted phenomenon. Poverty can be regarded as the oldest and the biggest prevalent ailment that has brought destructive scourge on the growth and development of most countries especially the developing countries of the world. This epidemic has killed more people than the world known diseases such as Coronavirus,

HIV, Ebola, and Malaria notwithstanding the huge amount of resources and programmes of every government as well as international organizations to eradicate and/or alleviate poverty and its devastating effects on the society⁹. Poverty is one of the major impediments to achieving the Millennium Development Goals (MDG) especially in the developing countries¹⁰. The factors responsible for high level poverty especially in the developing countries includes; risky rural life, high population growth, fragile and conflict-afflicted states, lack of; education, good health care and skills, little or no public investment in agricultural research, extension, irrigation and rural infrastructure and the continuous inequality between men and women¹¹.

Extreme poverty is real in Nigeria as a good proportion of the population of the country can hardly afford the basic things of life such as food, clothing, good health care, shelter, education and other fundamental infrastructures to live a normal life¹². The effect of which has made life expectancy of an average Nigerian to be shorter, high infant mortality rate, high rate of women death during child birth as there are no hospitals to provide basic health care facilities to the teeming population especially those in the rural areas, high level of illiteracy because of the near collapse of the educational sector and laxity on the part of government in enforcing the Universal Basic Education Scheme, also lack of capacity of the majority of the populace to send their wards to private Institutions¹³. Due to all these, Nigeria is confronted with myriad social and political upheavals that have destroyed and brought the country to its knees. Now, the country is faced with the activities of the internet fraudsters, kidnapping, insurgency especially in the Northern part and all other colours of militancy in the Niger-Delta area.

An individual is considered as multidimensionally poor if denied access to at least one third of the weighted gauge for measuring multidimensional poverty which are; years of schooling, child school attendance, child mortality, nutrition, electricity, improved sanitation, improved drinking water, flooring, cooking fuel and asset ownership. The cut off point for poverty was 33.33%, but out of the entire population of Nigeria, 17.5% are vulnerable to poverty, 32.8% are in severe poverty and 34.6% are destitute¹⁴. Combating poverty with its attendant effects on crime and other social ills has been one of the major concerns of every individual, government as well as the world international agencies.

Since Nigeria attained independence in 1960, considerable efforts have been made towards industrial growth. The earlier attempt to industrialize Nigeria by the government was directed towards the establishment of large-scale industry, but recent attention has pointed to growing the Micro, Small and Medium Enterprises (MSMEs) in line with the positive results recorded with such strategy by the Asian countries which accounted for their rapid economic growth¹⁵. From the layout of the first, second, third and fourth National Development plans of many years, the spotlight was on government-driven industrialization articulated on import- substitution strategy which when confronted with the global recession of 1981-1985 uncovered the fragility of the nation's industrial composition and design¹⁴.

Furthermore, despite the establishment of the Nigerian Industrial Development Bank (NIDB) in 1964 from the restructured Investment Company of Nigeria (ICON) to boost and accelerate the industrial development of Nigeria through the provision of finance for industrial project among other objectives, the Nigeria industrial development master plans did not possess the required ingredients to avert the social economic upheavals such as

economic deficits, abundant poverty, unemployment also insecurity of life and properties. Therefore, due to this, there was a continuous insistence to test-run other development plans alternatives that could probably activate an economic prosperity for the country¹; this position was also supported¹⁶.

The introduction of the Structural Adjustment Programme (SAP) of the International Monetary Fund (IMF) in 1986 was seen as an alternative to resolve the ineffectiveness and inefficiencies of the earlier National Development Plan Initiatives. The Structural Adjustment Programme (SAP) objective was to ensure the liberalization of the economy by advancing investment in the real sector through encouraging non-oil sector exports and preparing the ground for private sector industrial development take off with its attendant effects to stimulating efficiency and growth of the country's industrial sector as well as the evolution and application of domestic raw materials as opposed to foreign and/or imported ones¹⁷. Since the adoption of SAP in 1986, attention has shifted from government driven economy system to private sector driven economy especially the growth of the Micro, Small and Medium Enterprises because of its critical role as the major contributor to the creation of wealth and employment, promotion of the growth and utilization of local raw materials, increase in export and foreign exchange earnings, socio-economic growth as well as human capacity development¹⁸.

Because of this very important role, the Government of Nigeria in 1984 and 1986 negotiated, got into an agreement and obtained loans of US\$41million and US\$270 million respectively from the World Bank in what was termed the World Bank SME Loan Schemes 1 and 11¹⁹. In 2010, the Central Bank of Nigeria established the N200 billion Small and Medium Enterprises (SMEs) Credit Guarantee Scheme (SMECGS) to ensure the

growth and access to credit by the SMEs in Nigeria, also in 2013, the Central Bank of Nigeria launched the Micro, Small and Medium Enterprises Development Fund (MSMEDF) to provide low interest finance to MSMEs sub-sector of the Nigerian economy.

Also, to guarantee regular and easy flow of capital to aid the operations of the Micro, Small and Medium Enterprises operators in Nigeria, successive governments have developed progressive programmes and strategies directed at the sector²⁰. From 1960-1970, the government established Industrial Development Centres through the length and breadth of the country, in 1971, the Small-Scale Industries Credit Guarantee Scheme was created with the objective to propel development by making credit available from banks to SMEs and Manufacturers. The Nigerian Industrial Development Bank (NIDB) was founded in 1964 with the charge to provide long-term capital for investment and industrial activities. In 1972, the Nigerian Bank for Commerce and Industry (NBCI) was established to assist the growth of Small and Medium Enterprises (SMEs) by providing long term investment and equity funds.

The merger of Nigerian Industrial Development Bank (NIDB), Nigerian Bank for Commerce and Industry (NBCI), and the National Economic Reconstruction Fund (NERFUND) in year 2001 gave birth to the current Bank of Industry (BOI) which is the largest Development Finance Institution in Nigeria. The aim of the merger and for setting up the Bank of Industry (BOI) was to properly situate the bank to attend to the country's failing industrial growth by providing financial support for the creation of new enterprises, rejuvenation, modification, diversification and enlargement of the old and existing enterprises, also, overhauling of the ailing enterprises²¹. The Bank in order to catalyse the industrial growth of the country opened offices and/or have representatives in all the states

of the federation including the Federal Capital Territory. The management of the bank committed over 85% of the bank resources to SMEs financing, collaborated with the state governments to organize entrepreneurship orientation programmes, provide assistance to businesses; that added value to domestic raw materials, improve employment generation and have the capacity to guarantee export. The bank also built relationship with local and international development organizations such as UNDP, UNIDO, SMEDAN and so on²⁰.

The bank developed products to cater for the needs of the market Women and Children, Youths especially those undergoing the National Youth Service Corps (NYSC), Farmers, Manufacturers/Producers, Artisans and other categories of customers. In 2007, the Bank of Industry started the State Matching Fund Scheme which involved contribution from both the State Governments and other private persons to catalyze industrial development of the country. The move was aimed at wealth creation so people can have access to fund for their investments thereby creating employment opportunities which will invariably ensure poverty reduction and/or eradication. The Bank (BOI) also has a programme for funding Cooperative Societies using the micro credit funding scheme.

Furthermore, since the return to democratic rule, the government of Nigeria has been concerned about diversifying the economy of the country and growing the MSMEs sector⁷. Some strategic moves by the government of Nigeria involve the formation of the Small and Medium Enterprises Development Agency (SMEDAN), execution of the National Enterprise Development Programme (NEDEP), formation of the National and State Councils for the Small and Medium Enterprises, YOUWIN, and other funding opportunities provided by the Central Bank of Nigeria and some development banks⁷.

Other attempts by the government at growing the MSMEs sector and alleviating poverty in the country include; the year 2020 Federal Government of Nigeria N75 billion MSMEs Survival Funds to support and cushion the effect of the Coronavirus pandemic (COVID 19) on businesses, the signing into law of the Finance Act 2020 that exempt MSMEs of below N25 million actual turnover from paying taxes, the signing of the CAMA 2020 amendment act, and the Executive order of the Ease of doing business⁷. To ensure the inclusion of women in business, the Bank of Industry and some commercial banks created some special credit programmes to support women entrepreneurs; the Federal Ministry of Women Affairs and Social Development (FMWASD) created a N90 million Business Development Fund for Women (BUDFOW), the aim was to grant soft loan to women entrepreneurs. Also, there is the Goldman Sachs 10,000 Women meant to provide women entrepreneurs with business and management education, mentoring and networking, and access to capital as well as the women network group such as the Women in Management, Business and Public Service (WIMBIZ) which is also aimed at providing networking and business education to women⁷.

In the same vein, the government of many countries especially the developing countries set up or collaborate with Development Finance Institutions (DFIs) to grow the real sector of the Economy. Development Finance Institutions are multilateral, regional or bilateral institutions created to provide a platform to cover the investment deficits of evolving countries. Development Finance Institutions invest in sectors where the market has neglected or where there exist governmental or corporate failures. They give long-term advances and loan with the capacity to even restructure such loans and advances to pave way for a more convenient pay back mechanism. With this, Development Finance

Institutions (DFIs) are able to encourage industries regeneration, development of economies, and diversification of sectors, inclusive and prosperous enterprise growth, societal and economic objectives which are pre-qualifications for all-round economic goals of the country¹⁵.

Despite this attention and huge investment by the Federal, State and Local Governments, also multilateral organisations and philanthropists to reduce the level of poverty in the country through the creation of so many avenues for MSMEs owners to access finance especially with the formation of the Bank of Industry and opening of many branches in all the zones of the country, the rate of growth of MSMEs in the North-Central Nigeria is still being hampered by access to finance as many of them (MSMEs) in the region do not have the required capital to either begin or grow their businesses to achieve the required level of economic diversification²². This is due largely to higher transaction cost of accessing loan, untidy record keeping (especially accounting record), ineffective management, illiteracy and poor financial and investment management²³. Therefore, the North-Central Nigeria is still ravaged by high level poverty rate and low level industrialization when compared to other regions in the country especially the Southern regions as many households still earn income below what is required to maintain basic living standards²⁴. This research therefore, examined Micro, Small and Medium Enterprises (MSMEs) financing and poverty level in North-Central Nigeria. The study essentially considered whether Bank of Industry (BOI) Services of Equity Financing, Funds Management, Workshop and Training, Networking, Mentorship and Monitoring, SME Consultants, Farmers Assistance, Graduate Entrepreneurship Fund, Youth Ignite Programme, short, medium, and long term finance

have helped to promote an increase in the number of MSMEs owners in the region under consideration.

1.2 Statement of the Problem

No nation can effectuate feasible economic growth and even reduction in poverty without a deliberate effort at growing the MSMEs sector as the sector remains the most viable backbone of every economic development especially in the areas of bettering the socio-economic status of the poor, creation of massive job opportunities and usage of the available local materials. To eradicate poverty by 2030 in line with the Sustainable Development Goals (SDG), government, international agencies and other philanthropists must look for ways to support the growth and development of the MSMEs.

Despite the various studies on MSMEs and their invaluable contributions to the growth and development of the economy, the extent of their impacts especially in the developing countries is still being hampered by various factors. The most critical of these entire factors is access to finance. For instance, in Ethiopia, a review of the various challenges confronting the MSMEs sector confirmed that lack of finance is placed above other challenges (such as lack of infrastructure, lack of training in entrepreneurial and management skills, lack of information on business opportunities, lack of access to premise, inefficient financial market, and problem of skilled manpower) confronting the MSMEs sector²⁵.

In the same vein, one of the major impediments to the growth of the MSMEs in Nigeria is access to finance. Reports from both the local and international organizations supported the fact that the rate of growth of the MSMEs sector in Nigeria is still at a snail speed while the

level of poverty is very high and the country has one of the world's least per capita income with sixty-five percent of the population living in abject poverty if ranked in relations to the United Nations rating, this calls for concern that there exists a problem²⁶.

A comparative study of the contributions and challenges of MSMEs in Turkey and Malaysia from three distinctive perspectives; financial assistance, the impact of a knowledge-based economy, and the impact of marketing assistance, suggested that the government should put in place measures to enhance the knowledge of small entrepreneurs and expose them to training in special areas such as technology advancement, new innovations, market research, and development, also provide them with finance in the form of grant and offer tax incentives²⁷. A consideration of the role of MSMEs development on poverty alleviation in Nigeria showed that one of the best ways to grow the MSMEs sector and alleviate poverty in Nigeria is through the regular advocacy and training of MSMEs owners especially by the Small and Medium Scale Enterprises Development Agency (SMEDAN)²⁸.

Furthermore, an examination of the impact of the growth of SMEs financing in Nigeria (via deposit money banks) revealed that deposit money bank financing of SMEs has a positive and significant influence on Nigeria's economic growth, as credit to the private sector and SMEs contributed positively to real gross domestic product²⁹.

Also, if the government can provide a platform for MSMEs to access capital at an affordable rate and formulate policies to grow the MSMEs and encourage the consumption of 'Made in Nigeria goods' that will help to grow the MSMEs and reduce poverty^{30, 31, 32}.

However, a study of the financial inclusion of women showed that, more men (67%) were financially included than their female counterparts (59%) thereby leaving about 41% of females financially excluded⁷.

A comparison of the level of poverty in the North-Central Nigeria to other parts of the country revealed that poverty in the North-Central Nigeria is real and severe compared to other regions due to high level of illiteracy, lesser opportunities for women who are culturally confined to take care of the home front and religiously brainwashed into early marriages also not given same advantages like their male counterpart, insecurity, lack of awareness of the availability of affordable investible funds and general peoples' apathy to patronizing financial institutions for credit to grow their businesses³³. The effects of these are responsible for the resentment in the youth population and opened the doors for religion fundamentalism, kidnapping and corruption which portend great danger to the region and the country as a whole if nothing urgent is done²⁵.

Therefore, the creation of another financing platform such as the Bank of Industry in 2001 was very germane to resolving this problem and providing credits at affordable rates to MSMEs owners also, giving of other technical supports for the massive industrial growth of the country. This study therefore, examined Micro, Small and Medium Enterprises Financing and Poverty Level in North-Central Nigeria.

1.3 Aim and Objectives of the Study

The aim of the study was to investigate Micro, Small, and Medium Enterprises Financing and Poverty level in North-Central Nigeria. The objectives of the study were to:

- i. ascertain the effect of MSMEs access to credit services on the poverty level in North-Central Nigeria.
- ii. investigate how MSMEs turnover affects the poverty level in North-Central Nigeria.
- iii. examine the effect of MSMEs profitability on the poverty level in North-Central Nigeria.
- iv. establish the effect of MSMEs employment creation on the poverty level in North-Central Nigeria.

1.4 Research Questions

The study attempted to answer the following questions:

1. how has the MSMEs access to credit services affected the poverty level in North-Central Nigeria?
2. to what extent has the turnover of MSMEs affected the level of poverty in North-Central Nigeria?
3. what is the effect of MSMEs profitability on the poverty level in North-Central Nigeria?
4. what has been the effect of MSMEs employment creation on the poverty level in North-Central Nigeria?

1.5 Hypotheses

H₀₁: MSMEs access to credit services has no significant effect on the poverty level in North-Central Nigeria.

Ho2: There is no significant relationship between MSMEs turnover and the level of poverty in North-Central Nigeria.

Ho3: MSMEs profitability has no significant effect on the poverty level in North-Central Nigeria.

Ho4: MSMEs' employment creation has no significant effect on the poverty level in North-Central Nigeria.

1.6 Significance of the Study

The study would contribute to the discussions or literature review on MSMEs Financing and Poverty level in North-Central Nigeria especially how the activities of the Bank of Industry (BOI) have contributed to the growth of MSMEs in the region. The findings of this study will be beneficial to the management of the Bank of Industry in their quest to carrying out their statutory duties of catalysing industrial development of the country. It would assist the bank in taking funding decisions and monitoring to ensure that funded enterprises succeed. Also, Policy makers; the Federal Government/Presidency, State Government, Federal and States Ministries of Finance, Budget, Women Development, the Central Bank of Nigeria and other Ministries, Departments and Agencies would find the outcome of this study useful as it would provide a road map that would guide them when drawing up their intervention programmes to alleviate the sufferings of the people as well as present a strategic avenue for youth employment which would go a long way to curb the security challenges confronting the country.

The study would also be valuable to other International Development Finance Institutions (DFIs) in their drive to help developing economy solve poverty problem. Most importantly,

this study will be beneficial to the owners and managers of micro, small and medium enterprises as well as people of the North-Central Nigeria as it would expose them to the proper understanding of what they stand to gain by patronizing the Bank of Industry services in order to expand and grow their businesses, also other Researchers will find the recommendations of the study very useful.

1.7 Scope of the Study

The population of the study will include selected MSMEs in the education sector; agriculture; accommodation and food services activities; and fashion, beauty and personal care industry.

Attention will be paid to selected MSMEs owners/managers who have benefited from banking services especially those that have been assisted by the BOI. Special attention would be given to MSMEs that are run by women. The respondents would be selected from each senatorial district of the zone under consideration.

The concentration of the research work was the North-Central Nigeria formerly known as the Middle-Belt region consisting of six states and also houses the country's federal capital territory. The states include; Kogi, Kwara, Benue, Plateau, Niger, and Nasarawa. The region is among the poorest with poverty level ranging from 20.4% to almost 67%. This figure cumulatively is very close to the National poverty average of 46% and one of the most difficult places to live in Nigeria due to ethnic and religious sectarianism and/or fundamentalism, insecurity of lives and properties as a result of high crime rate powered by Farmers/ Fulani Herdsmen clashes, infrastructural deficits, lack of transparency in governance, remarkable level of unemployment, large size of ill-fed and uneducated youth

population fuelled by high birth rate and early marriages³⁴. Investors both local and international are always taken aback to invest in the region, therefore, the generality of people in the zone compete for the few available government jobs as there are little or no industries. Most of the states in the zone depend on Federal Government of Nigeria allocation for survival as they are mostly christened “civil service states”³².

This resulted into low level internally generated revenue when compared with the states in the southern part of Nigeria. From 2010- 2016, the region internally generated over N40 billion which was 7% of the total internally generated revenue by states in the country, the south west region with the same number of states generated over N294 billion which was 48% of the total IGR generated by states in Nigeria³⁵.

Due to the above poverty statistics, this research work focused on the region with the hope that the findings and recommendations of the study will be capable of changing the narratives of the region from being called civil service states to an industrial region. When the recommendations are tested and seen to be working in the region, the same template can be used to liberate other states in other regions of the country.

1.8 Limitations of the Study

The limitations of the study entails relying on information obtained from the owners and managers of micro, small and medium enterprises in the region under consideration. Many of them did not want to initially let out all the required information that has to do with the operations of their business to an unknown face, this may be as a result of trying to evade tax payment or lack of adequate record in place to give such information accurately. They had to be persuaded to understand that their responses were needed only for research

purposes and to make recommendations that would help in growing their enterprises. Also, the study relied on the responses received from those that assisted to interpreting the content of the questionnaire to some MSMEs owners in the remote areas of the selected zone under consideration who may not be able to read and write properly.

Insecurity also posed a problem to the research study as it limited the extent to which the researcher can carry out the research in some remote areas in North-central Nigeria, but the researcher was able to overcome this by sending the questionnaire online to the respondents. The political environment of the country was also a constraint to this study. However, adequate measure were put in place to ensure that the outcome/output of the research was not affected by the above stated limitations as the researcher employed the use of scientific methods to collect data and use advanced statistical techniques to analyze them in order to obtain results that were less or not affected by the constraints.

1.9 Operational Definition of Terms

Bank of Industry: Is the bank created to transform Nigeria's industrial sector by providing financial and business support services to enterprises.

Bank of Industry Services: These services include; co-financing/syndication, equity financing, funds management, international trade finance, short, medium and long term finance among others.

Medium Enterprise: Medium enterprises are business concerns with employees of between fifty and less than two hundred and an asset worth of between N50 million and N500 million excluding land and building.

Small Enterprises: Small enterprises are businesses which employ not less than ten but not up to fifty numbers of persons with a capital worth of five million to fifty million naira only excluding land and building.

Micro Enterprises: A micro enterprise is a small business that sells goods and/or services in a local area and/or market. It employs less than 10 people generally and operates within a geographical enclave. Traditionally, a micro enterprise begins with some form of funding known as micro credit or micro finance.

North- Central Nigeria: The North-Central Nigeria formerly known as the Middle-Belt region consists of six states and also houses the country's federal capital territory. The states include; Kogi, Kwara, Benue, Plateau, Niger, and Nasarawa.

Poverty: Poverty or a multidimensional poor person as an individual who cannot afford or does not have access to basic education, good nutrition, electricity, improved sanitation, improved drinking water, flooring, cooking fuel or own any asset.

Poverty Level: A level of income above which an individual can afford the basic things of life such as food, clothing, good health care, shelter, education and other fundamental infrastructures to live a normal life.

Access to Credit: The accessibility of financial services, such as credit, deposits, payments, insurance, and other risk management services, to persons or businesses

Turnover: An organization's total sales over a specific time frame.

Profitability: Excess of income over expenditure

Employment Creation: The act of creating new employment, particularly for unemployed individuals

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Chapter Two

Literature Review

2.1 Conceptual Review

2.1.1 Poverty

The discussions on poverty and the priority given to the concept by individuals, government whether in developed or developing nations as well as international agencies has made it a critical concept that has remained constant despite the fact that every successive government, especially in the developing countries, have put in place several programmes to either lessen, attenuate or banish its scourge in the annals of the human race³⁶. The complexity surrounding the meaning of the word 'poverty' has made it difficult to have a generally accepted definition of the concept as different schools of thought have come up with several definitions of the word poverty³⁷.

Poverty can be expressed in several dimensions³⁸. Though classically, the word poverty is used in relation to income and such believe still subsist even till date. The inability of a person to possess the fund to meet the basic needs of life was seen as poverty. The notion can be traced to the 19th century in which the mentality then was having a means of livelihood. However, there is a change in orientation regarding viewing poverty from the monetary perspective to include expanded variables such as political participation and social inclusion³⁹. Poverty can be defined as the failure of a person to reach the least standard of living which can be viewed from the inability to afford the basic things of life such as food,

clothing, good health care, shelter, clean water, education and other fundamental infrastructures to live a normal life³.

However, to critically examine what the concept of poverty actually means depend on who asks the question, how it is understood and who responds and this can be explained from five different interrelated perspectives. The first is income-poverty which can also be referred to as consumption poverty for ease of measurement; this is the perspective of the economists on what poverty is. The second is material lack or want. This refers to the inability to possess basic physiological needs of life such as good food, shelter, clothing, television or radio, the means to move from one place to the other and means to quality services. The third is capability deprivation. This explains what a person can or cannot do and/or be. It bothers more than material incapability or desire to incorporate human accomplishments such as skills and physical potentials and self-esteem among the community of people.

The fourth encompasses a predominantly complicated perspective of impoverishment with the three earlier discussed as physical yardsticks to measure the level of poverty. The Fourth explanation of the word 'poverty' is the proclamation of one's level of education, training, psyche, exposure, and ruminations. This underscores the intellectual capabilities to make judgments in line with one's knowledge⁴⁰. The fifth perspective of the word poverty is being poor, marginalized, vulnerable, excluded or deprived. Therefore, being poor entails all the above and all efforts at alleviating poverty has yielded minimal results because even if people are provided the basic necessities of life, what about their level of reasoning, exposure, and judgments of issues? This means, any attempt to reduce poverty must be all-encompassing to incorporate all the above⁵.

An individual is considered as multidimensionally poor if denied access to at least one third of the weighted gauges for measuring multidimensional poverty which are; years of schooling, child school attendance, child mortality, nutrition, electricity, improved sanitation, improved drinking water, flooring, cooking fuel and asset ownership⁴¹. Poverty is better explained as a relative term than absolute term and poverty is more of the inability of people to be warmly accepted into the community than lack of income⁴². Therefore, poverty can be defined relatively or absolutely⁴³. Absolute poverty is concerned with the quality of life or the extent of disparity in the community and it implies the money available to afford the necessary requirements of good food, clothing, and shelter but silent on the fact that every person has critical social and cultural obligations. The critique of the concept gave rise to the relative definition of poverty which considers poverty from the perspective of the economic standing of members of the community or group of individuals. The proponents opined that a person can be said to be poor if the living standards fall below the predominant standards in the community or group. Both concepts dwelt more on defining poverty from the angle of income and consumption.

The social scientists, on the other hand, consider poverty from the perspective of what might be responsible for the scourge. They studied the likely causes of poverty such as the effect of culture, power, social system that are outside the jurisdiction of a person. Therefore, to truly understand the word poverty, the social scientists consider other social areas such as housing poor, health poor, and time poor which are necessary to be well-taken cognizance of as poverty is more than only viewing it from the perspective of income or consumption alone because it is multidimensional and incorporates not only the economics perspective but social, political and cultural aspects⁴⁴. The economic aspect has to do with the entitlement of

every individual to have a source of livelihood that is; the right to work and earn a living; the social aspect is concerned with having access to quality education and healthcare system; the political aspect underscores the right of association, expression and thought while the cultural aspect explains the freedom to uphold one's cultural belief and distinctiveness⁸.

2.1.2 Poverty as a Multidimensional Concept

Poverty cannot be said to be a consequence of one's inability to possess only one thing but a conglomeration of several intertwined variables that merged in poor people's realities and meaning of the concept. The meaning of poverty as well as the causes differs by gender, age, culture, social and even economic framework. Poverty, aside being a social paradox is also multidimensional because; it is a combination of several factors that clustered to form a complicated and multifaceted phenomenon; it is generally characterized by the inability to afford the basic physiological needs of life such as food, clothing, shelter and other possessions; it is the absence of required belongings resulting in physical impoverishment; it connotes loss of voice and freedom, the inability to blend well in the community and promote one's cultural identity and distinctiveness as the poor are constantly looked down upon by their neighbours which make them (the poor) to be psychologically deprived and exposed to degradation and all other sorts of inhuman attention from those they seek assistance from; it connotes the lack of essential infrastructure such as; good transportation system, quality and affordable healthcare facilities, clean water, basic and affordable education and so on⁴⁵. Also, people ravaged with poverty think of asset over income and explain their susceptibility to hazard to their inability to acquire physical, human, social and environmental asset¹⁰.

Furthermore, in as much as experts are finding it confusing to come up with the actual gauge to measure poverty, it is ordinarily referred to as low income and measured on the basis of income of \$1.25 or less per day⁴⁶. Also, the concept of poverty means different things to different people based on age and gender in Ghana. A man is considered poor, if he lacks the capacity to acquire material assets while a woman is poor if she cannot guarantee food security. For instance, a young Ghanaian is rated poor if he is unable to create an avenue to generate money (income) which is normally accepted as the greatest and most critical asset while the old folks see the inability to build a worthwhile social status from the traditional agricultural lifestyle as poverty or living below the generally acceptable standard⁴⁷.

Whereas in Madagascar, the definition and causes of poverty is influenced by a person's status and location, farmers attribute poverty to an unusual and unbearable long period of low rainfall resulting in shortfall of water, the poor describe poverty as increase in prices of goods and services and inadequate employment opportunities for those that are willing and able to work while the rich sees poverty as a decline in domestic and international terms of trade, abandonment of the Malagasay belief and standards, loss of motivation among some classes and groups of persons, price liberalization and devaluation, absence of education and good governance⁴⁸.

In Philippines, poverty is seen as the lack of access to credit facilities or inability to pay for such credit facilities especially as it relates to the loan obtained to promote the growth of agriculture. Therefore, inability to secure loan made the women to boil banana for their children and eat their seeds instead of planting them¹³. In Armenia, poverty is believed to result from seasonal changes, inability to save, and lack of required fund for transactional

motives. These make the farmer to be poor. In Guatemala, lack or shortage of adequate food and a convenient and comfortable shelter is considered as poverty¹³.

Nigeria situation is different as the country is endowed with massive human, natural and material resources but a large proportion of the population are poor. Therefore, poverty in Nigeria can be viewed as high rate of unemployment especially of the large numbers of willing and able youth population, wide income gap, low quality human capital, high proportion of brain drain, and the collapse of basic infrastructures⁴⁹. Therefore, using income as the only indicator of poverty is grossly inadequate because it does not take cognizance of other important variables that explain poverty such as life expectancy (longevity), quality of education, the availability of public goods, freedom of expression or to associate in the community and security which has direct relationship with the quality of life but little with income. In conclusion, therefore, seeing poverty as a conglomeration of several denials will give a comprehensive data for the formulation and implementation of required policies to alleviate to a greater percentage, the number of poor persons, also the magnitude of poverty in the society⁵⁰.

2.1.3 Poverty in Nigeria

In Nigeria, the actual state of poverty is still a subject of controversy among researchers, policy makers, data analysts as well as the political class. While some researchers are of the opinion that poverty has reduced drastically as a result of several deliberate efforts put forward by the government, some do not agree with such assertion as they claim that the level of poverty in the country is still very high while others want answers to be provided on the actual percentage increase or decrease in the poverty level of the country⁵¹. Data from

the Harmonized Nigeria Living Standards Survey (HNLSS) and Nigeria General Household survey 2015-2016 both affirmed that the official poverty rate in the country is unreasonably on the rise with over sixty one percent of the population living below the poverty line¹⁶.

The latest report from the World Poverty Clock indicated that the level of poverty in the country is very high with over Ninety-one million Nigerians being extremely poor⁵². Therefore, poverty is one of the fundamental challenges confronting Nigeria as indicators from both the local and international researches supported the fact that poverty is the real hindrance to the socio-economic development of the country⁵³. Despite the several poverty alleviation programmes put in place by successive governments to alleviate and/or reduce the scourge of poverty in Nigeria, there has not been any worthwhile improvement in Nigeria's Human Development Index as the country is still confronted with a high level of youth unemployment which is responsible for the rate of violence, crime and other social ills of different kinds¹⁸.

There has been a scarcity of unified metrics for judging poverty around the world over time, but socioeconomic status has played a significant role in determining a country's poverty rate, as an individual's "income" remains the most constant, well-known, and recommended indicator for evaluating poverty in most countries. The worldwide poverty line has been placed at US\$1.9 per day⁵⁴. The National Bureau of Statistics (NBS) put the poverty line in Nigeria at N137, 430 per year, or \$381.75⁵⁵. As a result, anyone in Nigeria who earns less than N137, 430 per year is considered poor. Therefore, the computation of the level of absolute poverty in the country by the NBS using the number of people who could only afford the bare requirements of shelter, food, and clothing revealed that roughly 35 percent of Nigerians, or 62 million individuals, have been in the same situation since 2015, when the

country experienced a nearly two-year economic collapse, earlier NBS estimates show that between 2004 and 2010, Nigeria's poverty rate grew from 54.7 percent to 60.9 percent, whereas prior NBS surveys showed that the poverty rate in the country declined between 1985 and 1992, as well as between 1996 and 2004⁵⁶.

The NBS analysis on poverty and inequality conducted from September 2018 to October 2019 revealed that Nigeria's poverty rate is projected to be 40%, that is, 82.9 million individuals in Nigeria live on less than 137,430 naira (\$381.75) each year. To put it another way, the percentage of low-income people in Nigeria demonstrates that four out of ten people spend less than N137, 430 per year on real per capita spending²⁰. The survey further explained that 52 percent of people in rural areas struggle to make ends meet, whereas only 18 percent of people in metropolitan areas are poor.

In contexts of socioeconomic inequality (Appendices 17 and 18) among Nigerian states excluding Borno State (the state was not captured in the survey due to the insurgency ravaging the area), Sokoto State, in the northwestern part of the country, had the highest poverty rate of 87.7%, while Lagos State, the country's commercial hub in the south-western region, had the lowest poverty rate of 4.5 percent^{57,20}. Furthermore, "Poverty in Nigeria varies from that of many other nations in that, despite economic growth, poverty continues to rise, with the North-West and North-East geo-political zones dominating in poverty indices"⁵⁸. Therefore, long before the World Health Organization (WHO) proclaimed COVID-19 a pandemic in February 2020, a huge percentage of the Nigerian population was living in poverty, as evidenced by the preceding data. Several previous government regimes have acknowledged Nigeria's high degree of poverty by implementing various policies and programmes aimed at alleviating poverty in the country. Though the government's approach

and commitment to reducing poverty appear to be credible, implementation mechanisms, policy contradictions, poor finance, and corruption have always hampered the desired consequence of lowering Nigeria's poverty rate².

Nigeria as a country is well endowed with great human and natural resources among countries in the Africa continent which ordinarily should qualify the country as one of the greatest and richest in Africa and the world at large but the reverse is the case as the country is still among the poorest and every effort of the government and other international agencies have not been able to raise the living standards of the people substantially and this paradox of poverty in the midst of abundance has raised the concern of people to want to find out the reason(s) for poverty in Nigeria⁵⁹. The cause of the high rate of poverty in Nigeria can be attributed to the continuous neglect of the agricultural sector which was hitherto the mainstay of the economy contributing considerably to the country's Gross Domestic Products (GDP)⁶⁰. Other factors responsible for the high rate of poverty in Nigeria include; ineffective government policies, high level corruption, income disparities, youth unemployment, inadequate infrastructural development across the length and breadth of the country especially power supply, road network which cumulated in an unfavourable environment for businesses to thrive⁶¹.

The World Bank report on poverty reduction in Nigeria in the last decade stated that there are three major factors responsible for high level poverty in the country, these include; high rate of population growth of about 2.7 percent a year, high level of job unavailability to cope with the level of growth in the population and widening inequality which has greatly reduced the level of consumption of the people as well as the per capita income⁶². Also, the

causes of poverty can be considered from two broad perspectives; low economic growth and market imperfections.

Low economic growth is related to inadequate standard of living as a result of increase in unemployment and/or underemployment while market imperfection means the wide gap that exist among the citizens in relation to the distribution of the country's productive asset as a result of ignorance, culture and lack of equitable distribution of income⁶³. Though, there is a direct positive relationship between poverty level and good governance as good governance is the only and sure way to alleviate and/or eradicate poverty and guarantee sustainable human development, economic growth and economic prosperity⁶⁴. Due to this fact, successive governments in Nigeria have developed several poverty alleviation schemes/programmes since 1972 to date as contained in Appendix 1.

The major aim of every poverty alleviation programme is to reduce significantly the hardship of the people by providing opportunity for employment, access to finance to start their own business ventures and creating a comfortable environment for every legal business to thrive²⁴.

However, an assessment of all the programmes of the government to alleviate poverty in the country have not been able to achieve the required milestones and the failure can be attributed to the inability of the efforts to get to the real target group, unfaithfulness on the part of the government and its agencies to properly commit to implementing the poverty alleviation programmes to the letter, blatant mismanagement and misappropriation of funds, lack of continuity or discrepancies in policy formulation and implementation as well as

selfish and/or ethnocentric implementation of the poverty alleviation programme by the political class⁶⁵.

Therefore, for government poverty alleviation programme to make meaningful impact, the government should deliberately increase her investment in the agricultural sector and agribusiness programmes, diversify the economy so as to reduce to the barest minimum the dependence on oil, embark on massive investment for the provision and upgrade of basic infrastructures, create institutions that instil disciplines and redirect the focus of the educational system to incorporate the vocational and technical education and training, these are necessary and deliberate strategies to create employment and lift people out of poverty³⁰.

2.1.4 Poverty in Northern Nigeria

Northern Nigeria has a population of over 90 million people, 719,435 land size km sq (79 percent of Nigeria land size), and a population density of 129, while Southern Nigeria has a population of over 80 million people, 190, 455 land size km sq, and a population density of 421. Northern Nigeria is well blessed with abundant tillable land, sparse population density, and a diverse range of valuable meta-minerals. There are three geopolitical zones and nineteen states in the region. Kano, Kaduna, Katsina, Zamfara, Sokoto, Kebbi, and Jigawa are in the North-West zone, whereas Taraba, Yobe, Borno, Adamawa, Gombe, and Bauchi are in the North-East zone and the North-Central region comprises of Benue, Kogi, Kwara, Nasarawa, Niger and Plateau. The North has abundant natural and human resources, and its sparse population density combined with large land expanses provides a fantastic opportunity for comprehensive agricultural programmes of all classes, while several states in the zone also have commercial mineral deposits.

Natural resources in northern Nigeria are in direct opposition to the living conditions of the region's average citizens. Despite the region's tremendous economic resources, such as kaolin, tin, huge fertile terrain, an abundance and variety of agricultural goods, and many more, the majority of its residents are poor. Poverty is most visible in Nigeria's northern regions, with Sokoto state having the highest poverty rate at 86.4 percent. The poverty rate in Nigeria's North East and North West zones is 77.7% and 76.3 percent, respectively, while the North-Central zone has a poverty rate of 67.5 percent⁶⁶.

Northern Nigerians are primarily subsistence farmers who use traditional farming practices and materials. To replenish the soil, they rely primarily on animal manure, domestic waste, and ruminants from plants. As a result, a high percentage of unemployment has resulted in an increase in crime, illiteracy, maternal mortality, and, more lately, various forms of insurgency and terrorism such as Boko Haram, Herdsmen clashes, and others³¹. A society's strife and grievances are the result of significant income disparity, which raises the likelihood of violence by exacerbating social distrust and increasing the impression of relative deprivation²⁷. This is evident in the instance of Nigeria, where the wealthy are becoming wealthier at the expense of the poorest members of society. This is due to Nigeria's precarious democracy, which lacks institutional capacity to deal with societal stress.

This is the result of the country's failure to achieve economic development, particularly in the north, where there are few prospects for economic empowerment, significant young unemployment, and a high rate of violent activity used as a weapon against oppressors. As a result, political and religious extremism flourishes in the region, where pervasive poverty is exploited to lure illiterate and jobless youths into violent groups.

The Almajiri system is one of the major causes of poverty in Northern Nigeria⁶⁷. The Almajiris constitute about ten million, or 81 percent of the country's more than ten million out-of-school youngsters. The term Almajiri is derived from the Arabic word 'Al-muhaajirun,' which denotes scholarly ulama that promotes Islam's peaceful path. However, in Nigeria, the Almajiri concept has outlived its usefulness and has become a breeding ground for child begging and possible terrorist camps. The students who are supposed to be trained to become ulamas have had to fend for themselves by begging rather than learning under the supervision of a semi-literate Quranic teacher or mallams who lack the necessary support and use the system as a means of survival rather than a way of life. In all of its manifestations, the Almajiri system symbolizes child maltreatment, social marginalization, and persistent poverty³².

With the massive number of poverty in the country, the Northern Nigeria is home to more than half of the abjectly poor people, the majority of whom are children. The Almajiris with a population of almost ten million people, it's easy to envision about ten million potential judges, accountants, engineers, lawyers, medical practitioners, and other professionals being squandered. It is clear that northerners and parents of street children have failed to fulfil their responsibilities of adequately caring for and educating their children.

The Almajiris have spread throughout Nigeria's northern states and are now found in practically every single corner. In between ages of 6 and 12, the almajiris are sent to the city by their uneducated parents, usually from rural areas, with little facilities for learning the Holy Quran and in dire circumstances. Besides wandering the streets in rags and surviving on food scraps, the youngsters are involved in a variety of jobs with no obvious pattern and reside underneath bridges, automobile parks, mosques, market stalls, or with families. As a

result, they are prone to a variety of health, physical, and psychological risks. The Almajiri system in Northern Nigeria has long outlived the purpose for which it was created. Instead of being a breeding site for the scholarly ulamas who are the religion's torchbearers, it has unfortunately become one of Northern Nigeria's leading causes of poverty and a veritable breeding ground for miscreants, thugs, and vagabonds.

With approximately 100 million Nigerians living on less than \$1.90 per day and inadequate law enforcement authorities and institutions, Nigerians lives and property are seldom secure. Furthermore, Nigeria was recently named the world's poverty capital, with over 85 million people living in extreme poverty, surpassing India as the country with the world's poorest population^{31,16}. It should be mentioned that India has a population seven times that of Nigeria. The north-eastern part of the country has the greatest death rate and the highest number of males with no educational attainment, while the North West zone has the highest number of females with no educational attainment among Nigeria's six geopolitical zones⁶⁸.

Geographically, the north-central Nigeria stretches from the west to the junction of the Niger and the Benue rivers. The region is rich in natural resources and has some unique topography, as well as ancient and colonial artefacts'. There are 121 Local Government Areas in North-Central Nigeria. Just it is the case in all of Northern Nigeria's states, the number of industries in the region can be counted on the fingers of one hand, as many investors are hesitant to invest in the region due to high levels of insecurity, particularly now that the level of insecurity has taken a more devastating dimension with the farmer-herdsmen clashes, kidnapping and different shades of banditries. Even with the presence of 129 micro-finance institutions, it is difficult to assess their impacts on the lives of the people as the level of poverty in the region is still very high though the north-central Nigeria is still

the best economy in the Northern region when compared with the other two regions in the zones⁶⁹.

2.1.5 Politics and Poverty in Nigeria

Politics, according to several academics, has a greater impact on poverty and inequality than any other subject. The argument is based on the belief that poverty is shaped by a combination of power, resources, and institutions⁷⁰. In a 1998 parliamentary discussion on reconciliation and nation-building, for example, the then-deputy President Thabo Mbeki famously said that South Africa was separated into two "nations" by poverty⁷¹. *“One of these nations is white, relatively prosperous, regardless of gender or geographic dispersal. It has ready access to a developed economic, physical, educational, communication and other infrastructure. The second and larger nation of South Africa is black and poor, with the worst affected being women in the rural areas, the black rural population in general and the disabled. This nation lives under conditions of a grossly underdeveloped economic, physical, educational, communication and other infrastructure. It has virtually no possibility to exercise what in reality amounts to a theoretical right to equal opportunity”*.

The same is true in Nigeria, where the country is divided into two major groups: a few very wealthy individuals who hold or previously held political office or act as a front for government officials, and a large number of very poor people who are persuaded to vote for specific candidates by exploiting their poverty, which can be described as poverty induced voting⁷².

Understanding how politics shapes poverty has progressed significantly in the last 15 to 20 years⁷³. Studies of poverty have often ignored institutions and politics, particularly in the

United States. Rather, studies concentrated on the demographic risks of poverty or how economic performance influenced poverty in the United States. Many poverty researchers, for example, have shown that single moms are more likely to be poor, and economists have frequently recorded how poverty rises and fall with the business cycle. Scholars have increasingly focused more on how politics and institutions impact the distribution of economic resources and, in turn, how this leads to poverty. At the risk of sounding overly dramatic, there has been a significant shift in the social science of poverty, and it is now commonly accepted that much of the difference in poverty across prosperous democracies is due to politics. Previously, poverty researchers focused on demographics and economic performance. Now, researchers are focusing on social policy and labour unions, as well as how politics shape poverty in emerging nations. Scholars have even demonstrated that the consequences of demographic risk factors such as single motherhood are influenced by politics and institutions. Political and structural causes for poverty and inequality have never been more important than they are now³⁷.

Two factors have contributed to the discussion on poverty and inequality. To begin with, there is more research now on individual and household income in different countries. A good example is the Luxembourg Income Study, which conducted a thorough study on poverty and inequality in different countries⁷⁴. As a result, researchers have investigated the role of country-level issues such as social programmes. Fine-grained inspection of taxes and transfers has also been included in such comparisons, emphasizing how important taxes and transfers are to household income. Because governments are generally responsible for taxes and transfers, the nation-state and state politics have become increasingly important in poverty and inequality study. Second, there has been a genuine intellectual response to rising

inequality, albeit slowly at first. Throughout the early 2000s, academics bemoaned the fact that sociology and political science had failed to investigate the rising inequality in wealthy democracies. However, over the last 10 to 15 years, there has been a surge in interest in the causes of rising inequality, and political and institutional explanations have taken centre stage in this research³⁸. This is largely due to the fact that current economic and demographic theories have proven unable to explain many of the major developments. As a result, political scientists, sociologists, and others have stepped in with political and institutional explanations in order to account for the most important patterns in poverty and inequality.

Poverty is a severe issue in Nigeria, and it has reached a point where it can no longer be ignored. The reality is that the current political structure was created to increase space by making the rich richer and the poor poorer, rather than to bridge the enormous gap between the rich and the poor and/or to eradicate poverty. The rate of political corruption in Nigeria is steadily rising, with an increase in the number of cases where the government apparatus has been used to enrich members of the political elite. Political corruption and its related problems, including vote buying, election fraud and manipulation, and open thievery by politicians, have had a negative impact on Nigerians' lives since independence especially with the return to democratic rule in 1999. As a result, political indifference and cynicism in the country's fledgling democratic ideals have grown.

In Nigeria, a bigger proportion of poverty is caused by political factors. Politicians purposefully deny the country's population basic requirements and infrastructure in order to utilize them as political campaign tools in the upcoming election³⁵. Many Scholars have written on money politics and vote-buying in Nigeria politics because of the devastating

impact of the phenomenon on body politics. The Nigeria state often experiences governmental instability in the form of bad policy options and implementation. The basic necessities of life such as electricity supply, water supply, employment, and quality education are lacking in Nigerian society. Due to the issue of money politics and vote-buying, democracy, which is often regarded as the best form of government in the world, is always under attack in Nigeria. Despite the fact that Nigeria's fourth republic enthroned democratic administration on May 29, 1999, democracy's dividends to the people remain few and far between⁷⁵.

This is because, in Nigeria, the notion and reality of democracy appear to be at odds. Actually, money politics and vote buying have tainted the country's democratic values. Money politics' destructive influence has been identified as one of the elements undermining effective governance in Nigeria. Money and vote-buying have gained a prominent position in the election of officers into positions of authority in Nigeria today, allowing them to authoritatively decide who receives what, when, and how. Money appears to have taken centre stage in most countries' political processes, and it is also playing an increasingly significant role in Nigerian politics, to the point where the term 'money politics,' with a derogatory connotation, has crept into the country's political lexicon." The difficulty with this condition is that the electoral process is frequently tainted, resulting in non-free and fair elections³⁵.

For decades, political corruption has been the bane of Nigeria's political and social growth. It obstructs proper administration and the provision of public goods and services, causing many Nigerians to fall into poverty unnecessarily. This is due to a diversion of scarce resources intended for development initiatives such as providing quality education, good

healthcare delivery services, good roads, energy, and other services into the private wallets of a few selfish and greedy persons with power control. Political corruption has been regarded by several researchers as one of Nigeria's greatest roadblocks to effective administration and national growth⁷⁶.

Political corruption has been on the rise in Nigeria for many years; for example, in 1996, Nigeria's perception index was 1.2, and the country was placed 54th out of 54 nations assessed by Transparency International. Nigeria was placed 81st out of 85 countries examined, with a perception index of 1.9. In 2013, the perception index increased to 2.5, and the rank increased to 144 out of 175. Nigeria's perception index hit 2.7 in 2014, ranking 136 out of 176 countries in the globe as assessed by Transparency International in 2015. Also, as the prevalence of political corruption has climbed, so has the level of poverty. For example, the poverty rate in Nigeria was 42.7 percent in 1992, 65.6 percent in 1996, 70 percent in 2013, and 70.6 percent in 2014. The poverty headcount rate, on the other hand, is expected to rise from 40.1 percent in 2018/19 to 42.0 percent in 2020 and 42.6 percent in 2022, suggesting that there were 89.0 million poor people in 2020 and 95.1 million in 2022⁷⁷. This plainly demonstrates that there is a link between government corruption and poverty in Nigeria and that corruption is the primary cause of the country's continued impoverishment. Despite the development of several anti-corruption agencies and the adoption of various programmes aimed at alleviating poverty, the rate of corruption continues to rise, hence raising poverty levels⁴².

According to a report published by Transparency International in December 2015, around 75 million Africans are involved in various corrupt practices throughout the year on the continent, with Nigeria emerging after South Africa as the second most corrupt country in

the world. Political office holders and private businessmen were found to be involved in the incidents. Such unethical practices lead to the institutionalization of corruption as a culture or tolerated behaviour that pervades society in the long run. Nigeria is one of the countries with the highest prevalence of absolute poverty in all of its manifestations³⁷.

Poverty is widespread, extensive, and chronic in some countries, affecting a huge section of the population. Poverty is a major concern in most countries, including Nigeria. Nigeria's condition is perplexing. It is a wealthy country hampered by impoverished citizens—poverty in the midst of riches. Human conditions in Nigeria have deteriorated significantly as a result of widespread poverty; real disposable income has decreased, and malnutrition rates have risen. The quality of nutrition, education, and health services has deteriorated as population increase has outpaced food production and current social services. Nigeria has been a member of the community of poor countries since the 1980s, or possibly the mid-1970s³⁷.

According to various empirical studies, political corruption is a phenomenon that has a direct association with rising poverty levels in Nigeria. As the incidence of corruption rises, so does the level of poverty. Few members of the ruling elite loot and divert resources meant for socioeconomic growth, resulting in politically induced poverty. As a result, Nigeria has become a paradox of poverty in the midst of abundance, or suffering in the midst of plenty. As a result of a disease of corruption and bad governance, a relatively wealthy country is home to the bulk of the impoverished. Despite the advent of both poverty alleviation measures and anti-graft authorities, the situation continued unchecked and even worsened. This is because even poverty-reduction programmes are plagued by political corruption and other abnormalities. Anti-graft agencies are also viewed as insincere, selective, and crooked

in their actions, implying that corruption cannot be combated and poverty cannot be eased in this circumstance.

Ordinarily, Nigerians, have no business dealing with social ills such as poverty, illiteracy, sickness, hunger, malnutrition, poor income, unemployment, and other social vices but for the cancer of corruption. While poverty is not just a Nigerian issue, the country's rising poverty rate might be attributed to political factors⁴¹.

2.1.6 Gender and Poverty

Many analysts have argued that analysing poverty from a gender perspective helps to develop a better understanding of the dynamism of the concept as well as designing a holistic measure aimed at tackling the menace, though poverty affect both men and women but the intensity of poverty is felt more by the women⁷⁸. Though poverty does not know race, colour or gender as it affects both men and women, old and young but the pain of poverty is mostly felt by the womenfolk' especially in Nigeria where the women are denied the opportunity of formal education, made to go through early marriage, encouraged not to secure formal employment, denied access to engage in politics or hold political positions and being culturally and/or socially confined to the home front making and taking care of babies unlike their male counterpart⁷⁹.

Therefore, considering these facts, the interconnection between gender and poverty is a complicated and contentious issue that has gained widespread discussions among individuals, policy makers, and analysts; this is due to their contrasting modes and semblance based on economic, social and philosophy in which gender inequalities and poverty are being assessed⁸⁰. Furthermore, it can be observed that for a long time, there have

been an increase in the occurrence of poverty especially in the sub-Saharan Africa; this is due to the fact that, unlike the developed countries, women in the region are never perceived to be of equal social status with the male counterpart and there can never be any successful poverty alleviation programme by the government and/or the international agencies when the women folks are totally excluded or not properly carried along or made to benefit; this can be regarded as one of the major reason why most poverty alleviation programmes have made little or no significant impact in achieving its set goals and objectives⁸¹.

However, a review of Luxembourg Income Study Database of selected twenty-six high- and middle-income countries revealed that the relationship between poverty and gender though complex both conceptually and empirically can be examined as a function of economic insufficiency, capabilities deprivation, social exclusion and feminization of poverty⁸². This is due to the fact that, poverty is; multidimensional with several definitions and modes of measurement; vary from one country to the other and most times viewed as household condition.

Therefore, the link between gender and poverty has to do with the gap in earnings and expenditures between men and women as well as access to economic resources, constraints as regard opportunities and capacities of women to generate valuable outcomes that is; freedom to achieve, the condition of multiple disadvantages of women in terms of labour market, marginalization and social isolation which all together resulted in women being socially and economically put in an unfavourable position⁴⁵.

Therefore, the world population of people living in extreme poverty could be considerably reduced in a matter of two decades if countries of the world decide to embark on an

inclusive economic growth especially taken cognizance of the neglected/excluded population group; the women folks⁸³. This is due to the multiplier effect of the role that the women play in the family, and the country at large. Evidence abound to justify the fact that unlike the men folks, most women spend a larger proportion of their earnings for the benefits of their children such as providing good nutrition, better health and educational opportunities and their involvement in the labour force brings about rapid economic growth which cumulatively lower the extreme poverty status of a given country⁴⁸. To achieve inclusive growth and reduce extreme poverty especially among the women folks, there should be a deliberate effort by the government and/or international agencies to tackle poverty among the women, also, gender should be given a prime place whenever any policy is to be formulated on poverty reduction⁸⁴.

2.1.7 Financial inclusion and gender-induced poverty in Nigeria

The persistent rise in poverty and economic suffering of people in Sub-Saharan African (SSA) countries is due to a number of factors, though every successive government, international organization, etc, have made various efforts to eradicate poverty by 2030, in line with the Sustainable Development Goals' (SDG) first target⁸⁵.

Financial inclusion is one of the remedies for eradicating poverty in the globe since an encompassing economy is essential for the world's vulnerable individuals engaged in the informal sector, as it promotes daily payments⁸⁶. Financial inclusion is a critical component of halting social inequalities because it allows people to benefit from financial services and enables the low income but energetic citizenry to readily access lines of credit that can be

invested in any business which can earn revenue for them, thus contributing to the beneficiaries' economic and social advancement⁸⁷.

Consequently, for years, many scholars, policymakers, and researchers have focused on the effect of financial inclusion on poverty reduction and economic growth in a country, due to its effect on improving access to financial services, which acts as a stimulus for overall economic well-being. Financial inclusion is a social inclusion approach that tries to improve all members of an economy's access to, availability of, and use of the formal financial system⁸⁸. It entails providing individuals and businesses with useful and cheap financial goods and services ethically and sustainably⁵¹. One of the subsets of financial development which emphasizes the availability of financial products and services to a wider group of people rather than the existence or quantity of financial institutions is financial inclusion⁸⁹.

Advocates for financial inclusion argue that the rising sophistication of regular living necessitates people and corporations having access to funds and other investment vehicles to carry out their personal and commercial monitoring on a routine. As a consequence, there was an increasing drive in recent years to develop a more equitable economic structure that distributes financial products to the most vulnerable members of the society. According to numerous researches, individuals with a range of needs require financial inclusion in order to have access to savings, payment, loan, and risk mitigation options⁹⁰. Therefore, improved financial inclusion leads to increased loan origination and wealth generation, while also increased development and financial activity⁵⁴.

Furthermore, access to finance helps with wealth distribution and utilization efficiency, resulting in decreased borrowing costs⁹¹. Financial inclusion is a tool that emerging

economies can use to achieve inclusive and sustainable economic development, employment generation, reduction of poverty, and economic equality⁹². In addition, larger but more significant financial inclusion could be the key to unlocking the possibility for expansion of micro and small companies, reducing income disruptions in underprivileged and rural areas, dynamizing progress, and supporting more inclusive and balanced development. Individuals having access to financial services and commodities, particularly in low-income regions, are more able to coordinate and retain their income, and households are more inclined to save and invest their money in beneficial reasons⁵⁶.

Gender inequality and poverty caused by gender can be reduced through meaningful financial inclusion. Women who have access to banking services may be better equipped to manage their finances and engage in personal and productive activities. They also have control over their own choices, such as work and marriage. It will also help to develop their businesses, choose where and how they work, boost productivity and profitability, and reduce their chances of becoming impoverished⁵⁶. They may also have more options for escaping dangerous circumstances and be less vulnerable to domestic violence, among other things.

Gender-induced poverty is defined as when one gender experiences poverty at a higher rate than the other. Poverty is more prevalent among female households in Nigeria than male households. Gender inequality in poverty has been linked to workplace discrimination against women, as well as the fact that women often have less education than men and hence are paid less. Feminized poverty, on the other hand, has the potential to worsen and deepen gender inequities at a time when markets and countries are undergoing substantial and rapid changes.

Poverty is not a gender-neutral situation, as it affects more women than men, and men and women perceive poverty differently⁹³. In most countries, women account for half of the population. As a result, any development strategy that ignores half of the population's life possibilities will fail to address poverty and sustainability concerns. This is why, at this critical juncture in global transition, the development process must incorporate a comprehensive agenda for women's empowerment that takes into account all aspects of women's lives. Understanding gendered poverty is therefore necessary for developing effective pro-poor development policies. Age, geography, education, and employment are only a few of the elements that contribute to gendered poverty, which is complex and varied. These traits must be investigated to understand gendered poverty and define policy options.

2.1.8 Poverty Alleviation Programmes in Nigeria

One of the major challenges of the world today is poverty. It can be regarded as a global malaise affecting the political and socio-economic growth and prosperity of many countries especially the less developed countries of the world⁹⁴. Therefore, every successive government, local and international donor agencies are daily devising means to alleviate the scourge of poverty in the society. Tracing the genesis of poverty alleviation programme is a daunting task considering the immensity of the concept as high crime rate, prostitution, unemployment, rural-urban migration; wide spread diseases, unemployment and other social ills are direct results of the ravaging poverty in the society⁹⁵.

Nigeria, like many other developing countries of the world is devastated, not only with religion extremism, terrorism, ethnic clashes but also with poverty. Before the discovery of oil, Nigeria economy was predominantly based on agriculture, then, poverty level was

majorly assessed based on the absence of food in the family⁹⁶. Every family strives hard to make food available and since a larger percentage of the citizens were farmers; their only preoccupation was to produce enough food for themselves and the others around them. No one was hungry. Everyone had sufficient to eat; sell and even export some of the country's agricultural produce to other African, American and European countries.

However, the discovery of oil and solid minerals changed the narrative of the country from an agricultural rich country to an oil rich nation thereby neglecting the most important agricultural sector and depend on oil⁹⁷. The result of this discovery and concentration of the country on oil and gas is seen on the streets of the country being occupied by jobless youths; parent inability to cater for their children thereby using the children to beg for money and/or food as the case may be; some of the jobless youths took to armed robbery, kidnapping, terrorism, gambling, advance fee fraud; also cheating and high level corruption by those who are fortunate to secure employment both in the private and public sector as everyone seems poor⁶¹. Therefore, poverty rate in the country is so high to the extent that most average family could hardly afford a meal per day; children are daily being withdrawn from school due to the inability of their parent to pay the required school fees; many families depend solely on herbal medicine to cure themselves whenever they fall sick as they could not afford moderate medical treatment in private and/or government hospitals, huge unemployment and under-employment; also corruption of the privileged. This culminated in most of the religious and ethnic clashes being witnessed in the country⁹⁸.

However, having realized these huge problems associated with poverty and in order to proffer solutions to them, the government of Nigeria at the Federal, States and Local Government levels developed several poverty alleviation programmes aimed at eradicating

or alleviating the scourge of poverty with emphasis on economic growth, provision of basic needs and rural development⁹⁹. Some of the poverty alleviation programmes were sector specific while others were not and notable among them are contained in Appendix 1¹⁰⁰.

In addition to the poverty alleviation programmes, the government also received assistance running into billions of United States Dollars from international development agencies such as the World Bank, United Nations Population Fund (UNPFA), United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Children's Fund (UNICEF), International Planned Parenthood Federation (IPPF), International Labour Organization (ILO), German Technical Cooperation Agency (GTZ), United Nations Development Programme (UNDP), International Development Association (IDA) and other philanthropists⁶⁰. All these however, cannot be said to have made significant reduction in the level of poverty experienced in the country. Many schools of thought even believed that the level of poverty in the country is growing worst now rather than abating.

Therefore, the pertinent question that is constantly begging for answer is the level at which these programmes have been able to affect the lives of the 'ordinary' citizen of the country who truly should be the actual target population for which all the programmes were created, because when the actual state of poverty is compared with the huge resources that were claimed to have been expended at fighting poverty, it leaves some doubts in the mind of an average person or raise the fundamental question of who were the actual beneficiaries of the 'so called' poverty alleviation programmes of the government?¹⁰¹.

Some of the factors responsible for the ineffectiveness of the Nigeria government programmes at alleviating the scourge of poverty include; unstable and ever changing

government plans and strategies as well as mismanagement of the resources due to the insincerity of government and/or political instability; ineffective targeting of the poor; unwieldy scope of the programmes resulting in resources being thinly spread among projects; overlapping of functions which ultimately led to rivalry and conflicts; lack of complimentary from beneficiaries; uncoordinated sectoral policy initiatives; lack of involvement of social partners and stakeholders in planning, implementations, and evaluation; and poor human capital development and inadequate funding¹⁰².

Therefore, to achieve the desired outcome/result as regard Poverty Alleviation Programmes in Nigeria, harmonization of all programmes is recommended¹⁰³. Also suggested are; the provision of adequate funding for such programmes; firm commitment by all stakeholders to ensure the continuity of the programme irrespective of political dictate of the country; good governance at all levels of government; massive education of the populace as regard government policies and programmes; deliberate and fundamental improvement in the country's infrastructural facilities; initiation of in-ward looking development programmes that are in line with the yearnings and aspirations of the people and the target population also, Government should adopt punitive measures and show its willingness and readiness to punish those who sabotage its efforts⁶⁵.

2.1.9 Micro, Small and Medium Enterprises Financing in Nigeria

Defining Micro, Small and Medium Enterprises is extremely difficult and contentious as there is no universally acceptable definition of the concept. This is because the definition varies in terms of peoples' opinion of the concept and from one country to the other; while some define it in terms of total revenue, other use the number of employees as basis for

categorization¹⁰⁴. For example, European Union defines a medium-sized enterprise as one with 250 employees, a small firm with less than 50 employees and a microenterprise as one with a maximum of 10 employees.

From the World Bank perspective, Small and Medium Enterprises can be defined using three qualitative criteria; (1) The number of employees; (2) total assets in U.S. dollars and (3) annual sales in U.S. dollars, therefore, to qualify as an SMEs in line with the World Bank standard, the business must be able to meet the quantitative criteria of number of employees and at least one financial criteria¹⁰⁵. The Nigeria Finance bill 2019 considered a small enterprise as one with an annual turnover of less than N25 million while a medium enterprise has an annual turnover of between N25 million to N100 million¹⁰⁶. Table 2.1 and 2.2 detailed the definition of MSMEs according to the World Bank and Small and Medium Enterprises Development Agency of Nigeria (SMEDAN).

Table 2.1 Definition of Micro, Small and Medium Enterprises by World Bank Standards

Enterprise indicators (2/3)	Number of employees	Total assets	or	Total annual sales
Medium	> 50; ≤ 300	>\$3,000,000; ≤\$15,000,000	or	>\$3,000,000; ≤ \$15,000,000
Small	> 10; ≤ 50	>\$100,000; ≤ \$3,000,000	or	>\$100,000; ≤ \$3,000,000
Micro	< 10	≤ \$100,000	or	≤ \$100,000

Source: Adapted from Gentrit and Pula (2015)

Table 2.2 Definition/Classification of Enterprises

S/N	CATEGORY	EMPLOYMENT SIZE	TURNOVER (NAIRA)
1	Nano/Homestead Enterprises	1-2 Persons	Less than 3 Million
2.	Micro Enterprises	3-9 Persons	3<25 Million
3	Small Enterprises	10-49 Persons	25<100 Million
4	Medium Enterprises	50-199 Persons	100 Million < 1 Billion

Source: 2021 MSMEs Survey Report by SMEDAN

In summary, different countries use various definitions and parameters to categorize what a small and medium enterprise should be, the summation of those parameters can be enumerated as; capital investment on plant and machinery; number of workers employed; volume of production or turnover of business¹⁰⁷.

Also, from the quantitative perspective; internal management structures, decision-making process, financial practice, trading styles, attendance risk factor, and so on. The reality notwithstanding is that most of the micro, small and medium enterprises are owned and run by one man or by two or three individuals, usually relatives, friends or business partners, who take most of the decisions and give no room for a clear delineation between private and business assets, also, subjective and personal factors play a large role in decision-making thereby making most MSMEs to lack proper organizational and management structures also, financial discipline and template which to a large extent make them susceptible to early death.

Creating an enabling environment for the micro, small, and medium enterprises (MSMEs) to access funding is a major concern at the core of a country's economic and financial development¹⁰⁸. Access to funding is one of the most difficult administrative challenges bedeviling businesses in Nigeria, especially the cost of raising the needed capital for investment purposes. This is the bane of the growth of the MSMEs in the country and one of the reasons why many of them fail prematurely¹⁰⁹. On a numerical basis, MSMEs now account for almost 90% of all businesses in Nigeria's industrial sector. Despite their dominance, their contribution to GDP pales in comparison to that of nations such as Indonesia, Thailand, and India, where SMEs account for more than 40% of GDP.

Micro, Small, and Medium Enterprises (MSME) can formally seek financial help from banks (commercial, merchant, and development), despite the fact that the Nigerian financial system views them as a weak sector, making them reluctant of lending to them. The bank would rather pay a penalty for not providing credit to MSMEs than risk extending a loan to them¹¹⁰. Therefore, owners' savings, as well as support from banks, government institutions, local governments, cooperative organizations, relatives and friends, and moneylenders, are all sources of investment capital for SMEs; though most research claimed that personal savings was the primary source of funding for MSMEs.

Banks provide a nation with the function of pooling resources from surplus economic units to deficit economic units in order to boost investment, innovation, productivity, and, as a result, growth and development, as the banking industry dominates the financial system¹¹¹. A well-functioning financial system aids investment and economic progress. To get off the ground, every firm needs to borrow money at first. When that happens, the first place they should go to borrow money is the bank. When money becomes a real concern for such

businesses, nothing else works¹¹². This is due to the fact that other issues that arise later in an enterprise's life are treated as natural challenges that arise after it has been funded. As a result, the economy's growth and development are hampered.

To prevent imminent capital outflows from the real to the financial sectors, banks should start rethinking lending to the manufacturing sector. The apparent inability of commercial banks to grant long-term credit to operators in the real economy resulted in the creation of development finance institutions and the introduction of numerous funding programmes for the development of SMEs in Nigeria⁷⁷. Despite the existence of these institutions and funding programs, there is still a continual call for more money for the development of SMEs in the country. The absence of collateral provided by MSMEs to secure loans, as well as the banks' exorbitant lending rates, can be blamed for the continual decline in commercial and merchant bank loans to small size firms¹¹³.

The SMIEIS Fund (Small and Medium Industries Equity Investment Scheme) is the official financial institution in Nigeria set up to invest in small and medium-sized businesses and finance SMEs through venture capital funding. This was in reaction to the federal government's intention to support the micro, small and medium-sized businesses (MSMEs) as vehicles for rapid industrialization, long-term economic development, poverty reduction, and job creation¹¹⁴. The most typical sources of funds/financing available to MSMEs are personal savings and informal loans from friends and lenders. The Nigerian government has previously attempted to assist MSMEs with the assistance of the World Bank and the African Development Bank through a variety of loans and credit schemes, including the World Bank MSME loan scheme, the African Development Bank Export Stimulation Loan (ADB/ESL) scheme, the CBN Re-discounting and Re-financing Facility (RRF), the National

Economic Reconstruction Fund (NERFUND), the Bank of Industry (BOI), and the Graduate Employment Loan (GEL) (NDE)⁷⁴.

2.1.10 A Review of Government Intervention Programmes for Micro, Small and Medium Enterprises Development in Nigeria

The drive to create an active and effective industrial sector has made government to come up with various policy measures and programmes especially the provisions of facilities (in form of financial assistance) to micro, small and medium enterprises, partnering with the private sector organizations, non-governmental organizations (NGO) both local and international all with the intentions to provide incentives for the growth and development of this sector¹¹⁵. Various intervention programmes were put in place by the government of Nigeria to address the daunting challenges of the MSMEs sector such as the setting up of the Bank of Industry, the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) among others¹¹⁶.

Research conducted for Fate Foundation by Augusto, reviewed the Nigeria Micro, Small and Medium Enterprises Policy Environment and came up with the summary contained in Appendices 2- 14¹¹⁷. The research detailed the various intervention funds (schemes) provided to grow the micro, small and medium enterprises; the objectives of setting up such funds, the description of the fund, the strength and weaknesses of each of the scheme.

Appendix 13 contained the analysis of the performance of the funds. Most of the intervention programmes at growing the MSMEs sector as captured in Appendix 13 did not succeed or performed below expectations due to high interest rates, lack of adequate information to the target population which resulted in little or no patronage, wrong policy

design, lack of adequate infrastructural facilities to support the successful operations of the schemes, limited access to the market by the MSME operators, unwillingness of the bank most times to lend to some critical areas of MSMEs such as the agricultural sector, lack of gender balance in the design and management of the fund except the CBN's N220 billion Micro, Small and Medium Enterprises Development Fund (MSMEDF) which specifically reserved 60% of the fund for women and those with disabilities to ensure their participations in entrepreneurship, all other schemes did not take cognizance of gender mainstreaming in the formulation of policies that established the fund.

Appendix 14 is a graph that presented a pictorial representation of the average amount of money disbursed so far per annum from 1978 to October, 2015. Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) listed the priority areas that require urgent attention to grow the MSMEs to include; creation of a favourable support from financial institutions, adequate supply of power and water, reduction in tax and interest rates, regular supply of fuel, provision of farm inputs (seedlings, equipment, fertilizer etc), provision of adequate security of lives and properties, and provision of quality infrastructure (Access Road, Markets etc) among others¹¹⁸.

Researchers concluded that for the government intervention programmes to be able to achieve its purpose of catalyzing the SMEs to promote the industrial revolution of the country just like their counterpart in Asia, Latin America and some other countries; there should be a deliberate effort to strengthening the Micro Finance banks operations; the regulatory policies must be convenient and seen as one that promote the growth of MSMEs; facilities to the SMEs should be made available at an affordable interest rates, flexible payment terms and accommodating requirements; effort should be made to ensure that

information on the availability of funds is made available to the target population and such information should be dispensed in the best language possible; every government policies at addressing the MSMEs sector should also take cognizance of gender in the policy formulation and the ease of doing business policy should be strengthened; adequate infrastructural facilities should be made available to ensure conducive environment for businesses to thrive; networking should also be encouraged among the MSME operators to share latest information and ideas that are important to growing the sector as well as making available to the MSMEs research results from institutions on new production techniques, better marketing and management strategies and so on¹¹⁹.

2.1.11 Corona Virus Pandemic (COVID 19), Micro, Small and Medium Enterprises and Poverty in Nigeria

The breakout of the COVID-19 pandemic in Nigeria has put even more strain on the country's extremely precarious poverty situation. After escaping the 2016 economic crisis, it was widely assumed that an unanticipated drop in oil prices would continue to be the most likely predictable cause of economic problems in Nigeria. No one really anticipated, however, that a public health crisis caused by COVID-19 would lead to a countrywide economic downturn¹²⁰. COVID-19 is an acronym for Coronavirus disease, which was reported in Wuhan Province, China, in the year 2019. Poverty has remained one of the most commonly used adjectives to describe Nigeria for the past four decades. Nigeria is considered an underdeveloped country in terms of economic development due to a persistent shortage of basic facilities and a low level of economic power among its inhabitants¹²¹. In its poverty assessment report, the World Bank asserted that COVID-19 crisis is pushing up Nigeria's poverty level, with more than 5 million people expected to fall into poverty by

2022 and thereby increasing the number of poor Nigerians to 95.1 million by 2022¹²². Given real per capita GDP growth negative throughout all sectors in 2020, the bank predicts that poverty will have worsened for the current poor, while those barely over the poverty line before the COVID-19 crisis will likely slip into poverty.

As a result, countries battled to contain the spread of the raging pandemic (COVID 19) and minimize its impact within their boundaries¹²³. To combat the virus' spread, the government has implemented a variety of measures, including the shutdown of airports, schools, markets, and religious centers, among others. The Federal Government of Nigeria began the closure on March 30, 2020, with the Federal Capital Territory, Lagos, and Ogun States receiving the first share of the COVID-19 cases in the country¹²⁴.

While necessary, the closures had a negative impact on all sectors and segments of the country⁴. Micro and small enterprises saw a greater drop in commercial activity than medium and big businesses¹²⁵. This could be because a lot of micro and small enterprises in the country temporarily ceased operations due to their inability to conduct preventive health measures such as establishing physical separation and providing sanitizers, water, and soap for consumers⁶. Nigeria's economic slowdown was driven by a combination of dropping oil prices on the global market and the economic fallout from the COVID-19 pandemic, which not only reduced demand for oil products but also halted economic activity when social distancing laws were implemented¹. The effects of the COVID-19 outbreak on the Nigerian Stock Exchange's performance using Evidence from GARCH Models for the period of 2nd January 2020 to 16th April 2020 showed that profits in Nigeria plummeted during the COVID-19 period as compared to normal pre-COVID-19 results¹²⁶. This resulted in a larger increase in the nation's debt servicing to revenue ratio at 60% amid falling oil prices¹²⁷.

Investigation on the impact of COVID-19 on 1,943 Micro, Small, and Medium Enterprises (MSMEs) across Nigeria's 36 states, including the Federal Capital Territory during the pandemic, 94.3 percent of businesses experienced unfavourable results, mostly in the areas of cash flow, sales, and revenue¹²⁸.

Because smaller firms are more vulnerable to negative shocks to their supply chain, labour supply, and final demand for goods and services than larger firms, many governments began extending financial and other forms of support to micro, small, and medium enterprises (MSMEs) and their workers soon after the COVID-19 pandemic broke out. However, because MSMEs are so diverse, the severity of the pandemic's impact varies greatly according on their features¹²⁹. Despite the announcement of large-scale economic stimulus programs, the pandemic's economic effects spread quickly over the globe. The Asian Development Bank and the International Monetary Fund had to lower their GDP growth forecasts released less than two months prior in June 2020^{130, 131}.

The Federal Government of Nigeria, through the Central Bank of Nigeria (CBN), launched a N50 billion Targeted Credit Facility (TCF) in March 2020 as a stimulus package to aid households and micro, small, and medium companies (MSMEs) affected by the COVID-19 epidemic¹³². The objectives of the package were to: reduce the negative effects of COVID-19 on households and MSMEs; help households and MSMEs whose economic activities have been harmed by the COVID-19 pandemic, and encourage MSMEs to utilise financing to expand their production capacity through equipment upgrades and research and development. This facility and many more were instituted by all levels of government to alleviate the effect of COVID- 19 on MSMEs and reduce poverty rate though this did not

bring down the level of poverty to a large extent due to other factors especially as a result of high level of insecurity in the country.

2.1.12 Crowdfunding and the Growth of Micro, Small and Medium Enterprises in Nigeria

Combating unemployment with its attendant effects on the socio-economic wellbeing of the nation is one of the concerns of every successive government as well as international donor organizations. To catalyze the growth and development of the nation, government of both the developed and developing countries created several programmes/schemes to assist in funding the Micro, Small and Medium Enterprises which can drive innovation and generate large scale employment opportunities thereby reducing the crime rate and other social ills in the country. Micro, small and medium enterprises (MSMEs) contribute in no small measure to the economic growth and development of a country as they are the breeding ground for entrepreneurial skills and innovation, also job creation and the nerve centre of the global economy¹³³.

Despite the enormous contribution of the MSMEs as the biggest employer especially in most developing countries, their potentialities and rates of success and sustainability are being impeded by lack of access to credit, equity, and payments services which can be said to be responsible for MSMEs inability to go full swing in facilitating job creation, accumulate income, reduce susceptibility and accelerate investment in human capital¹³⁴.

Research has shown that only about 5% of MSMEs that require or seek financial assistance in terms of loan got serviced. Therefore, the failure of the MSMEs owners to access funds to

begin or grow their enterprises has been a recurrent deliberation of government, captains of industries, financial institutions, also local and international development agencies¹³⁵. And despite all the measures put in place such as the Central Bank of Nigeria (CBN) Micro, Small and Medium Enterprises Development Fund with a share capital of N220 billion instituted to assist in bridging the existing huge financing gap by granting a low-interest loan to the MSMEs owners through the participating financial institutions (PFIs) to accelerate the growth and development of the Micro, Small, and Medium Enterprises (MSME) sub-sector of the Nigeria economy, the sector is still being confronted with the problem of financing which is greatly limiting the operations of the MSMEs and invariably the economic wealth of the nation¹⁰⁰.

This, therefore, call for a more convenient and acceptable alternative to funding the MSMEs operations outside personal savings, family loans, and loans from commercial banks.

Crowdfunding provides a liberal, innovative, and better acceptable alternative to MSMEs funding due to its capacity to pull funds together from a large number of would be investors¹³⁶. Crowdfunding which can also be referred to as online financing can be described as the medium of raising funds from a vast majority of people mostly through an online platform for a business, project, or venture. Crowdfunding leverage its success on the availability of a large number of people/investors on social media and crowdfunding websites which serves as a viable avenue to bring together both investors and entrepreneurs. This source can expand the funding availability for entrepreneurs as the platform can enlarge the number of investors through whom funds can be raised to grow the business more

conveniently as opposed to the traditional commercial banks and/or borrowing from relatives or cooperatives society.

Therefore, in as much as there are several financing options open to start-up organizations (MSMEs) such as microloans, angel networks, private equity, venture capital, asset finance, invoice factoring, peer to peer (P2P) loans, single invoice finance, pension backed loans, mini-bonds and so on, crowdfunding provides a viable financing option to growing the micro, small and medium enterprises in Nigeria due to its numerous advantages of raising fund faster with no upfront charges, providing a platform to exchange ideas and expand the customer base/network of the MSMEs owner.

This is one of the advantages that the world as a global village has brought, that is; the breaking down of boundaries thereby ensuring a high-level connectedness via the internet where people of; different classes, motives, religious beliefs, business ideas meet to interact and create a synergy for the promotion of innovations to solving a problem and/or development of products and services.

Since the internet provides a good platform for both entrepreneurs and investors to interact irrespective of locations within the globe, most informed entrepreneurs take advantage of such a platform to solving one of the major challenges facing the micro, small and medium enterprise which is raising capital to finance their investment proposals. The inability to access credit due to non-possession of the required collaterals and improper financial records are some of the critical challenges of the MSMEs in Nigeria¹³⁷.

Therefore, the need to seek for alternative financing to grow the MSMEs has always been a concern as most of the MSMEs cannot access funds either through equity or debt financing due to irregular cash flows⁹⁹. Crowdfunding can be seen as an alternative financing model where the MSMEs owners can pull large resources together with the help of the internet thereby providing a better, cheaper, and more effective form of symbiotic arrangement.

Crowdfunding can be described as a new advancement for projects, organizations, and start-up enterprises to generate funds from diverse individual contributors or investors¹³⁸. For over ten years of the introduction of the crowdfunding market which comprises of lending (debt), equity, and royalty-based models, also non-securitized forms, such as charitable donations and rewards as a medium to raise a large pool of capital to fund a project and/or venture especially in North America and Europe, the medium has become a large market generating over sixteen billion dollars with a high growth rate of almost 300 percent thereby making crowdfunding to be one of the fastest media to raise capital for investment purposes¹³⁹.

In Nigeria, most MSMEs still source for funds through the traditional routes of personal savings, assistance or loan from friends and/or family, loan from commercial banks, funds from a business angel, and venture investments. The introduction of crowdfunding as a better platform to assist the MSMEs in raising the needed capital for investment purposes was initially hampered by the Securities and Exchange Commission (SEC) pronouncement. The regulatory body in August 2016 issued a directive to put on hold all crowdfunding activities in the country because it was not envisaged by the laws of the country and therefore considered antithesis to the capital market laws and other laws of the federation

such as the Investment and Securities Act (ISA, 2007) and the Companies and Allied Matters Act (CAMA, 1990)¹⁴⁰.

However, despite the initial setback caused by the regulatory hurdle, crowdfunding is swiftly turning out as a formidable alternative means of raising capital for Nigerian start-ups, even some politicians in 2015 used the platform to raise funds for their campaigns. For example, the Presidential candidate of the African Action Congress, Comrade Omoyele Sowore used the GoFundMe Crowdfunding platform to raise over \$2million to fund his presidential campaign¹⁴¹. The Nigerian portal Donate-Ng assisted to raise NGN 1,045,716 (\$5,248) for the "Save Kehinde Adebisi" campaign, dedicated to secure funding for surgical procedures for a 2 and half years old girl suffering from a brain tumour. There are other online platforms in Nigeria such as; Kickstarter, Naijafund and so on that give people access to raise capital to fund social events, offset medical bills also raise capital for business start-ups¹⁴²

Crowdfunding platform provides an avenue for Innovators or entrepreneurs to raise funds from a broad spectrum of people using a web-based funding portal and enjoy the other advantages that the platform provides such as support in terms of idea refinement, tapping into the pool of available skills of the contributors, market for the products and so on. Crowdfunding combined undertaking of individuals who put together their wherewithal to promote/back the innovations of persons and/or organizations with the help of the advancement in technology which has given rise to the accelerated and remarkable increase of internet and mobile access¹⁴³.

Therefore, it is distinct from other traditional financing means because it provides a better platform for start-ups to raise fund to finance their enterprises, it harvests the power of the internet (social media), it is a new marketing outfit, it allows for an uncommon concept/idea to be properly examined by the public to make an informed decision whether to support or not and it also aids direct relationship with consumers¹⁴⁴. Though, crowdfunding has its own associated risk, such as fraud, incompetence, and inefficient secondary market for equity-based crowdfunding, taxation, regulations, and so on¹⁴⁵.

There are five major participants/stakeholders in a crowdfunding project. These are; the crowd funder who are backers, donors, or investors; the beneficiary-investee who is/are the persons or organizations seeking funds for a company, product, project, or initiative; the crowdfunding platforms, that is the online platforms for transacting the business¹⁴⁶. The platform provides a meeting point for crowd funders and the beneficiary or investee; the third party verifier and other service providers which are being relied on by the platforms and beneficiaries/investees to provide additional and/or complimentary services such as due diligence, assessment of social and environmental results; the sponsors: these entail the support that beneficiaries might access in terms of designing and running crowdfunding campaigns which might be given on a free basis or for a fee.

Four basic models of crowdfunding include; Donation crowdfunding which entails a situation whereby the contributors donate funds with no expectations of any return other than an acceptance and appreciation of the receipt of such funds/donations. Reward

crowdfunding is a form of donation in which the contributors expect a reward may be in form of a gift, product, and/or service. Lending-based crowdfunding or Peer-to-Peer (P2P) is the most common and largest form of crowdfunding. It involves the contributors lending money to individuals and/or organizations with the hope of having a return in the form of interest on capital invested. Lending-based crowdfunding creates a platform for people to engage in commercial activities. Equity crowdfunding is a form whereby investors purchase stakes in a company and receive a return in terms of company stocks¹⁴⁷.

Other models of crowdfunding model; (a) Product pre-order model: In this form of crowdfunding, the inventor or entrepreneur sells the product at a cheaper rate for a pledge from the backers and supporters thereby raising the needed fund to pay the contributors. (b) Hybrid model: This model entails several approaches at a time. It is a campaign for capital in the form of a loan and also as a pledge. As the capital, the platform concentrates on start-up businesses given the contributors the privilege to co-invest in the project in the form of venture capital. The major attribute of this form of crowdfunding is that the idea originator will have to let the general public know the full details and have access to the innovation so the contributors/investors are well informed and convinced before embarking on any form of support and/or collaboration whatsoever. This is done to eliminate and/or minimize Information asymmetry, fraud, and risk usually related to the venture to the investor¹⁴⁸.

In summary, crowdfunding works by creating a community of persons that believe in a project and/or idea and are willing to give what they have especially in terms of finance to support such an idea and/or project. Getting those that are interested in funding the idea

together requires the creation of a market for the idea where interested members interact and also a sort of campaign just like an advertising campaign to create awareness, get the interest of the people aroused, and get their buy in by making a financial commitment.

2.1.12 Bank of Industry: Nature, Objectives and Modus Operandi

The establishment of the Bank of Industry in 2001 was aimed at assisting micro, small, medium and large enterprises with the required finance and education for growth. The bank provides a range of financial and nonfinancial services, including short, medium, and long-term lending, equity and lease financing also co-financing, and syndication with major focus on financing industrial projects in key sectors of the economy such as: Agro and Food Processing, Light Manufacturing, Gas and Petrochemicals, Engineering and Technology, Solid Minerals and Creative Industries (arts and entertainment). BOI also focuses on promoting youth entrepreneurship, women-owned businesses and renewable energy projects.

Over the years, the bank has undergone series of transformations and re-engineered its processes to improve service delivery. For example, in 2014, the bank implemented the usage of Business Development Service Providers (BDSPs) to upgrade the quality of entrepreneurs and loan applications. The BDSPs are expected to assist MSMEs with structuring their business plans and business models and provide relevant capacity building and training programmes. The bank also collaborated with the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and Department for International Development (DFID) to create an institute to accredit BDSPs in Nigeria.

In order for the Bank to attend to the demands of her teeming customers and make available its services of providing funding to new and existing businesses throughout the country, it has offices in every geo-political zone as well the FCT Abuja. The BOI has divided the Nigerian market into thirty-five groups to make it easier to lend directly to aid the growth of some specific products and/or fund some specific sectors of the economy which can either be through the matching funds of BOI and some other partners such as the state government and other well to do individuals and/or managed funds which are funds set aside by the government or individuals for a particular sector or interest.

However, in as much as the BOI is embarking on serious campaign for members of the public to patronize their services, the level of awareness is still low. This may not be unconnected with the inability of micro, small and medium business owners to access BOI funds and products. It is also observed that some of the factors responsible for this low patronage are related to the non-possession of the required documents by applicants and also inadequate information on the part of the applicants as many of them (applicants) approach the BOI for working capital as against asset financing which is the mandate of the bank¹⁴⁹.

As stipulated in the BOI website, MSMEs operators are expected to meet up with some criteria/requirements before qualifying for BOI funding. Some of those requirements include; completion of application form, submission of; Certificate of Incorporation; Certified true copy of Memorandum and Articles of Association, Annual Returns, Business Plan and so on. Appendix 15 explains the step-by-step process that an application has to pass through before funds are released to MSMEs promoters by the Bank of Industry. The BOI has several funds and products that can be accessed by MSME operators. Some of these funds and products are discussed in Appendix 15 though the BOI funds are more popular than CBN funds,

despite the fact that most of the MSMEs owners are still not comfortable with the rate at which the BOI turned down their loan requests⁹¹.

In view of the above, the Researcher opined that, it is important for the BOI to address this issue as quickly as possible by making their application process easier to understand. The application can also be translated into the three major languages in Nigeria for easy understanding. Other issues affecting the success of BOI operations is the fact that many MSMEs operators approach the bank for working capital financing as opposed to the bank's mandate for asset financing. Therefore, the public need to be well tutored about the mode of operations of the BOI, though the bank recently started financing of working capital through the BOI Microfinance Banks. For proper awareness, the Bank of Industry can work with SMEDAN and other relevant associations to educate the people (MSME operators) on the advantages of patronizing the bank.

2.2 Theoretical Review

The theories of poverty can be considered from two broad perspectives. The first schools of thought comprising of the classical and the neoclassical theories of the 17th, 18th and 19th centuries opined that the causes of poverty are based on factors within the control of individuals. These factors are seen as consequences of individuals' choices or non-possession of basic skills and/or endowments. The second schools of thought on the other hand comprises of the Keynesian/Liberal theorists and the Marxist/Radical theorists¹⁵⁰. These groups of theorists are of the opinion that the causes of poverty are predominantly based on factors outside the control of an individual. Such factors include; massive underdevelopment caused by government and/or political factors also social exclusion.

Though there are several theories that can be reviewed in relation to poverty; the cause and how to alleviate the scourge, but for the purpose of this study, the postulations by the various schools of thought on poverty will be discussed as stated in the diagram below.

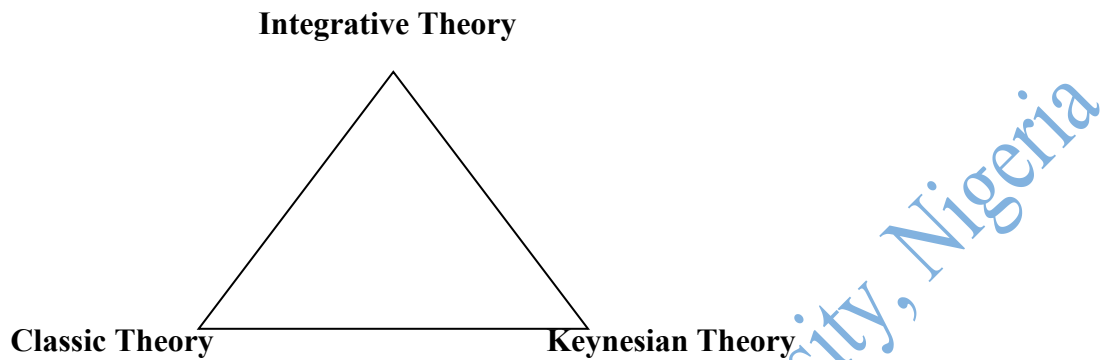


Figure 2.1: Relevant Theories on Poverty

Source: Researcher's Design 2022

2.2.1. Classical Theory

According to the Classical traditions, poverty is the consequence of the choices made by individuals¹⁵¹. This view is traceable to Adam Smith and David Ricardo in the 17th, 18th and 19th century's classical economic theory of value and distribution. The theory stated that the value of a product depends largely on its cost of production and distribution. Therefore, the exchange of goods and services occurring in the market place are direct rewards for individuals' level of productivity which presupposes the fact that poverty is a direct consequence of an individual actions and/or choices. A poor person is said to have made wrong choices and lack self-control which must have inversely affected the level of productivity, though the classical theorists also recognized the fact that hereditary factors

might be responsible for poverty but much emphasis was placed on wrong choices as this breeds poverty.

Therefore, the precondition for poverty can be viewed from the perspective of individuals trying to make choices and investments especially based on information at their disposals in order to maximize their prosperities (well-beings) ¹¹⁶. In doing this, some individuals opt for short term and low-payoff returns, which might be responsible for their poverty. For instance, some people made choices not to seek formal education both at the basic and advance levels based on excuses best known to them, also some might forgo required training that may guarantee a good pay job for them especially in the future, and these choices aggravate the conditions of individuals to experiencing poverty and also perpetuate it. The classical school of thought considered poverty from two perspectives; Behavioural/ decision-based theory and the sub-culture of poverty.

The Behavioural theory of poverty is based on the fact that, individuals are products of their economic decisions, therefore, people experiencing poverty should be held accountable for their actions which are direct results of their decisions. This notion is based on the theory of individualism embedded in the American value and belief system which is predominantly based on the free-market philosophy¹⁵². The system places the success or otherwise of an individual on the person's hard work and ability to possess the basic needs of life such as food, shelter and health care services. The Behavioural/Decision-Based theory absolves the government, market forces and/or any external force(s) as responsible for the poverty level of individuals.

However, the classical theorists opposed the use of subsidies as a measure to alleviate poverty because that might make people who are originally hardworking and not poor to become lethargy and slip into poverty in order to reap the benefits associated with subsidies and/or welfare transfer¹⁵³. Measures other than subsidies that can be used to help people out of poverty include; decentralize affordable housing and improve transit options; severe welfare benefits and increase wages through tax incentives, and train social service staff to assist welfare recipients in moving from welfare to work¹¹⁸.

Also, the theories of intergenerational poverty suggested that behavioural preferences highlighted in classical theories are passed across generations within dynastic families, due either to a genetic component or upbringing; therefore, "poverty begets poverty". This assertion can be explained from the fact that, as children are born into a family and grew up, they learn, formed attitude and act based on the abnormal characteristics of their ancestors (forefathers) who they see as their role model¹⁵⁴.

Therefore, a poor parent has the capacity to transmit poverty attitudes from one generation to the other by building in the family the culture of poverty thereby making the generation one after the other to accept the economic conditions they find themselves as the normal way of life. Poverty is a way of life as poor people in the society tend to segregate themselves from the rest of the society into a group with self-defeating attitudes and distinctive social and psychological traits which are transmitted from one generation to the other⁹². These social and psychological characteristics on which the sub-culture is predicated include; lack of ability to defer gratification, crowded quarters and frequent resort to violence.

Therefore, from the perspective of this theory, the only way to alleviate or eradicate poverty is to invest in training and character reform at the individual level, because the sub-culture of poverty is synonymous with "cycle of deprivation" where deprivation is attended to on individual and/or family basis as opposed to society wide phenomenon. Though this theory has been criticized for its biasness in the interpretation of observed generally acceptable attitudes and patterns among groups of poor individuals because the theory of sub-culture of poverty is not applicable especially when the poor people reject or do not demonstrate some of the values and attitudes that are expected to be possessed and/or expressed by them¹⁵⁵.

Therefore, any policy aimed at tackling poverty must be designed in such a way as to guarantee an effective, practical, positive and productive shift in individuals' behaviour. This may include providing supporting activities either in the form of personal counselling and drug rehabilitation to support groups, or threats, in the form of criminal sanctions and punishments. Though the theory did not also support cash transfer as one of the effective poverty alleviation strategies as cash transfer encourages indolence¹²⁰.

The Neoclassical theory on the other hand is attributable to the work of Alfred Marshall in 1890 as contained in his publication titled; "Principles of Economics". Neoclassical theory emphasizes the fact that poverty is a direct result of unequal initial endowments of talents, skills and capital which are related to the level of productivity of an individual in a market-based competitive economic system¹⁵⁶. Neoclassical theories attributed the causes of poverty to factors outside the control of individuals such as absence of social and private assets; market failures that prevent the poor from accessing the credit markets, moral hazards, lack of access to proper and complete information, unfriendly selections and decisions due to incomplete information, barriers to education; immigrant status; poor health and advanced

age; and barriers to employment for lone-parent families¹²¹. Also, Uncertainty may be one of the critical factors that can result in poverty as the poor are more susceptible to shock from recessions, sickness, and family breakdown and so on.

The shock might be as a result of asset scarcity and/or lack of income diversification as a fall out from holding little and/or insignificant asset which is common with the poor as they do not possess the required asset to withstand any negative income shock (asset in this sense comprises of both private asset and social asset such as health and education), therefore with the fewer assets at their disposals, any unexpected income variability will make them to automatically slide into poverty¹⁵⁷. To resolve the problem of poverty, the neoclassical school of thought opined that there must be a deliberate effort on the part of government to tackle the unfavourable conditions generated by market failures though moral hazard also causes high social cost and/or limited availability of credit but poor choices can be resolved through the provision of adequate information and guidance to individuals¹²².

2.2.2. Keynesian/Liberal Theory

Poverty can be viewed as a result of multiple factors encapsulated in massive underdevelopment as opposed to the consequences of individual choices and market distortions proposed by the classical and neoclassical theory. The Liberal theory proposed the intervention of government at all facets of the economy especially at the macroeconomic level in order to solve the problem of poverty by creating employment opportunities. The Keynesians/liberal theory emphasized that the inability of the government to provide the basic public goods and reduce inequality, inflation, unemployment, debt, cost of housing, are the major causes of poverty¹⁵⁸. Proper income distribution can ensure the active

involvement of the poor in activities that are capable of having a positive multiplier effects on the society at large and lift them out of poverty at the same time.

Therefore, the liberal theory advocated for publicly provided capital including education which has the capabilities to develop human capital components of the society, provide employment opportunities and guarantee overall economic prosperity for the nation.

2.2.3. Integrative Theory

The level of poverty in Nigeria is peculiar and multifaceted. The cause of poverty ranges from low per capita income to low level of savings, low level of education and nutrition, lack of basic infrastructural facilities. Also, lack of transparency in government which is responsible for high level of corruption by the few privileged public officials to politically motivated poverty in which the political class deliberately refused to provide the needed public amenities for the public good only to come every election year to use same as campaign slogan to sway the people to vote for them thereby keeping the larger proportion of the population in perpetual poverty. Therefore, the integrative theory of poverty is very applicable to the Nigeria situation and is adopted for the purpose of this study, if there is going to be any serious move at alleviating poverty in the country.

This is because the poverty situation in Nigeria is complex and required integrated efforts at solving it. Integrative theory of poverty propounded by Ken Wilber in 1965 attempted at synchronizing all the theories and strategic thinking on poverty into a workable theory¹⁵⁹. The theory is described as the “theory of everything” trying “to draw together an already existing number of separate paradigms into an interrelated network of approaches that are mutually enriching”¹²⁴. This is premised on the fact that the fundamental basis for poverty is

traceable to the level of the per capita income. Poverty in the developing countries is a vicious cycle from inability to live on balance diet which results in health challenges and since the level of income is low that will lead to the inability to afford the basic medical care which will invariably affect the level of productivity and may ultimately lead to death¹²⁴. Also, looking at it from the educational angle, the inability to earn enough income to save and invest in education will lead to the inability to afford the cost for basic education which will ultimately lead to lack of employment and the final result will be poverty.

There is multiple poverty cycle in Nigeria as the same person who could not afford education whether at the conventional or technical level may also not be able to afford basic healthcare system as well as enjoy the basic infrastructures like good shelter, electricity, clean water and so on to live a manageably comfortable life. Therefore, in order for Nigeria to solve this problem of the vicious cycle of poverty, the government should embark on huge investment or expansionary fiscal policies that are capable of creating employment opportunities as results of government spending¹⁶⁰. This deliberate attempt should be directed at increasing the purchasing power of the people with the target of breaking the vicious cycle of poverty. In achieving this there should be adequate measures put in place to curb corruption and as well as the level of insecurity in the country.

Also, the cause of poverty can be traceable to a lack of transparency on the part of the social and political class in the management of the affairs of the nation and/or social structure. The factors responsible for this include the political system operating in a country as well as the economic policy of the government¹²⁵. Due to lack of transparency, citizens are denied opportunities to access the resources of the country. Therefore, most of the citizens are unable to have access to qualitative education, proper health care and even employment

opportunities as the juicy employment/positions are shared or reserved for selected persons in the society¹²⁵.

This imbalance will create a sort of poverty class of people with identifiable social stigma as they are discriminated against as a result of race, gender, religion and tradition. The description above is also applicable to Nigeria which is one of the factors responsible for the high level of poverty in the country because many Nigerian are limited to the extent they could not be accepted even when they possess the required competencies and personal capabilities. The researcher agrees that solving this challenge will require the formulation of policies that places merit over tribe, race, gender and/or religion¹²⁵.

Furthermore, poverty is caused by lack of governmental presence/intervention and/or investment in the rural areas. The need for immediate and urgent government intervention and heavy investments in the rural and poor communities is advocated¹²⁵. Such programmes/investments are capable of catapulting and/or push the poor communities to becoming industrial hubs which will eventually grow the economy of the country¹²⁴. This strategy is germane to growing the Nigeria economy, more of government investments are concentrated in the urban areas causing high rate of rural- urban migration, therefore, if the government can invest in local communities, it will propel the industrial growth of the areas and the economy as well as lift people out of poverty.

In the same vein, raising the level of income of the people will require raising the level of development, which will invariably result in increase in national income. Raising the level of development has the capacity to raise the income of the poor, reduce and/or eliminate unemployment, provision of basic services, improvement in health care and education level,

also ensure the provision of a decent and comfortable housing for the people¹. Therefore, in Nigeria, any policy aimed at reducing poverty must be able to achieve social equity through the provision of services to the poor, such as education and health care, and providing job opportunities that leads to an increase in the gross domestic product (GDP) and also to achieve prosperity¹⁰².

Though it isn't a bad idea to focus on social equality which is meant to provide immediate succour to alleviating the level of poverty of the people but more attention should be given to the production/industrial sector which has the capacity to increase the living standard of the people in the long run by providing employment opportunities to the population¹⁶¹.

Therefore, considering the above, the Integrative theory of poverty approach is applicable to solving Nigeria poverty problem in the view of the researcher because Nigeria has an abundance of methodologies and practices belonging to a multitude of fields and knowledge traditions but what is missing is the interrelationship and coordination of theories, building of institutions, and an effective database.

The integrative approach has the capacity to expose better possibilities for a compassionate and more sustainable future for all¹⁶². This approach will entail fighting poverty by unblocking the minds of the people, investing in the development of the industrial sectors and rural areas, provision of social services to cushion the immediate effects of poverty and upgrading the social infrastructural facilities of the country all at the same time. This is what Nigeria as a country requires freeing her citizens from poverty.

2.3 Review of Empirical Studies

In this section, the researcher will review related works of other researchers on poverty and financing of micro, small and medium enterprises in order to have a better understanding of the topic in question and to clearly identify the gap that this current research work/gap intends to fill as contribution to knowledge.

2.3.1 Poverty and Poverty Alleviation Programmes

An analysis of the effect of poverty on economic development of Brazilian states from 1980 to 2015 using ordinary least square estimation found that many poor Brazilian states comprise of workers with low income and therefore disadvantaged in terms of investment in physical capital, human capital stock, and the effective depreciation of capital¹⁶³. The study agreed to the fact that acute poverty has a greater effect on economic development of the Brazilian States and recommended the deliberate formulation of policies to reduce poverty and enhance citizens' welfare as the way to cut down on the level of poverty and cause appreciable economic development.

Also, a study conducted on the vulnerability trend of poverty in the Philippines from 2003 to 2015 estimated the vulnerability level of households to income poverty using a modified prohibit model based on income, collated data sourced from the Family Income and Expenditure Survey, and Philippines official poverty lines¹⁶⁴. The aim of the study was to determine the predictors to poverty that should be addressed in order not to keep those that are already poor to remain so and to prevent more people from slipping into poverty. The study improved on past model specifications by incorporating the data on price and climate shocks to welfare, also generated different assessments for urban and rural areas before

aggregating them as national assessment. The study recommended that an intervention programme based on vulnerability should be put in place to reduce the likelihood of households going into poverty.

Furthermore, using primary data collected through the use of a questionnaire from 395 households to construct a multidimensional non-monetary measure of poverty with Multiple Correspondence Analysis (MCA), a study on the factors influencing monetary and non-monetary poverty in the Upper West Region of Ghana revealed varying determinants of both measures of poverty. Gender affects more for non-monetary poverty than monetary poverty, according to the data, although family size and educational level have a strong influence only on monetary poverty. Only non-monetary poverty is affected by age, and it does so in a non-linear way. Microcredit, savings, and gainful employment all help to alleviate household poverty and improve wellbeing. Job instability worsens poverty regardless of measure, whereas remittances and financial inclusion are critical exclusively for non-monetary poverty. Government social protection programmes, on the other hand, have a little impact on poverty, as seen by the lack of a significant effect on household shocks. The report advocated a new comprehensive set of regulations and safety nets to protect households from these unforeseen events¹⁶⁵.

Concerned about the high rate of poverty in the country especially to ascertain whether the poverty alleviation programmes of the Nigeria government was a myth or reality, a study was conducted to review the poverty reduction policies in Nigeria for the past fifty years¹⁶⁶. The study attributed the failure of government poverty alleviation programmes to inadequate mobilization of the target group, lack of commitment on the part of government agencies, outright mismanagement and embezzlement of funds, inconsistency as well as the

politicization of the programmes meant for poverty reduction. Therefore, the study advocated for the proper and clear identification of the poor and the development of necessary integrated policies and programmes through a realistic and dynamic approach which must be faithfully engineered by the policy makers that will be truly directed at addressing the poverty challenge in the country¹¹¹.

In the same vein, exploratory research based on secondary research method carried out on poverty elevation amidst poverty alleviation programmes in Nigeria revealed that arbitrary programmes/policies, corruption and mismanagement, deceit on the part of the World Bank and IMF, impersonation of other countries' policies without adequate study of the applicability to the Nigerian society/system, political treachery, and intrusion, and other factors are responsible for the spate of poverty in the country in spite of various poverty alleviation programmes. The study suggests, among other things, that while the government dispenses funds for poverty eradication in the country, it should also carry out the frequent monitoring of how the fund is being dispensed¹⁶⁷.

The relationship between poverty alleviation programmes, unemployment, and economic development in Nigeria was investigated using time series data from the Central Bank of Nigeria and analyzed using the Autoregressive Distributed Lag (ARDL), co integration approach, and the Vector Auto regression (VAR) model. Over the study period, the findings revealed that poverty alleviation programmes had a significant positive effect on Nigeria's economic development, whereas unemployment was adversely significant¹⁶⁸.

A study conducted on the appraisal of poverty alleviation and the efficacy of development assistance models in Nigeria examined the high rate of flow of development assistance on

annual basis into the country and juxtaposed that with the increasing rate of poverty in the country and concluded that the assistance received were not put into proper use as there were no tangible evidence(s) in terms of change in the poverty level of the people to support the fact that the assistance received were judiciously appropriated¹⁶⁹. Therefore, the study opined that the dependence on foreign development assistance as a mean to solve the scourge of poverty confronting the country is not sustainable and not the best strategy as every country is confronted with one challenge or the other. Also, such flow of fund has the capability to make the receiving nation layback which may be catastrophic when such aids and/or funds stop. Therefore, it was suggested that rather than relied on aids and/or foreign assistance and/or funds in tackling the problem of poverty, Nigeria should revive, synchronize and faithfully implement the already existing but not functional poverty alleviation schemes established by the government and restore adequate democratic tenets that allow for proper accountability and transparency of government activities in the country¹¹¹.

However, the study on the politics of poverty alleviation programmes pre and post implementation of the structural adjustment programme in Nigeria revealed that the increase rate of absolute and relative poverty in Nigeria can be traceable to political instability, inadequate policy continuity, corruption, mismanagement of resources allocated for the programmes, violence, terrorism, insurgencies, communal and inter-religious conflicts, fall in the prices of petroleum products, budget deficits to finance the poverty reduction programme, inadequate harmonization and collaborations among all the tiers of governments, private sector and civil society organizations¹⁷⁰. The study recommended the revival of the agricultural policies and agribusiness initiatives, provision of social amenities,

institutionalization of vocational education and entrepreneurship training as practical solutions to solving the poverty problems in Nigeria¹¹².

A review of the link between success of poverty alleviation programmes and good governance using secondary data and elite theory affirmed that all poverty alleviation programmes in Nigeria failed to achieve the desired results due to the absence of good governance¹⁷¹. Therefore, good governance in terms of creating a platform that will make the people to believe in government programmes, provision of adequate funding, deliberate investment in infrastructural upgrade and development of programmes in response to the yearnings and aspirations of the target population are recommended as some of the strategies to alleviate poverty in the country¹¹³.

The relationship between poverty, income inequality, and economic growth in Nigeria was investigated empirically with time series data from the National Bureau of Statistics (NBS) and the Central Bank of Nigeria (CBN) Statistical Bulletin from 1981 and 2019. The Augmented Dickey Fuller test, Co integration test, and Error Correction approach were used in the work. The findings in the work revealed that income inequality has a negative correlation with economic growth, whereas poverty has a positive relationship with growth in the country. The study recommended that the government should develop an all-encompassing strategy and programme that would target the poor and provide them with numerous possibilities to improve their well-being¹⁷².

An examination of the impact of three poverty alleviation programmes (Care of the People, (COPE), Farmers Empowerment Programmes (FEP) and Village Economic Development Solutions (VEDS) in some selected local government areas in Gombe and Kaduna states

with a sample size of 362 respondents using both qualitative and quantitative methods of data analysis concluded that poverty alleviation programmes in Nigeria lacked sincerity of purpose and being implemented to serve as political patronage instead of strategies for reducing poverty and recommended that government fiscal and monetary policies should be directed at wealth creation, reducing inequality, solve unemployment problem and alleviate poverty¹⁷³.

2.3.2 Financing Micro, Small and Medium Enterprises

A review of the competitions, opportunities and threats confronting the small and medium enterprises especially the assistance offered by government of some countries to promote the growth of the sector especially in Egypt and how the SMEs in those countries have been able to harness those opportunities for their development and that of the country proposed that the problems confronting the SMEs in Egypt can be solved with proper policy articulations and implementations¹⁷⁴.

A cross-sectional survey method was conducted to examine if financial literacy moderates the relationship between access to finance and the performance of SMMEs in South Africa. Descriptive statistics, Pearson correlation, and hierarchical regression were used for data analysis and the findings indicated that there exists a significant relationship between access to finance and financial literacy. Therefore, the study recommended an improvement in the financial literacy of SMMEs to increase their access to finance and performance¹⁷⁵.

Furthermore, an investigation into the problems confronting the development of the SMEs in Turkey and Malaysia identified the three major variables affecting the growth of SMEs in the selected countries as financial assistance, impact of knowledge-based economy and

impact of marketing assistance¹⁷⁶. Secondary data and literature review were employed to analyse these variables. The findings revealed that both countries were been affected by same problems though differ in degree. The study recommended that for rapid growth of the SMEs, the government of both countries should mobilize all resources at their disposals to assist in financing the SMEs which can be achieved by creating the required avenue for SMEs owners to have access to bank loans, increase the education on export credit assurance system and venture capital, increase the awareness on the use of technology, provide assistance in terms of research. Also, SMEs should be trained on basic management, accounting and marketing principles.

Using a theoretical method to investigate the reasons why banks in Nigeria are hesitant to give credit facilities to SMEs, it was discovered that banks are willing and capable of providing the required cash to SMEs, but a number of problems have prevented them. To compensate for shortcomings in public infrastructure, SME operators are required to provide their own energy, water, and, in some situations, access roads. This is harmful to manufacturing viability and efficiency, and banks view it as a high-risk situation. Banks, as a business concern, must produce a profit and maintain sufficient liquidity to meet other stakeholders' commitments. The deposit money banks' failure to give the necessary credit to SMEs is attributable to the hostile environment in which these businesses operate. As a result, the study suggests that the government should fully follow the Indian model of SME development. Again, the government should enhance the business environment in Nigeria, particularly in terms of electricity generation, long-term water supply, and good roads¹⁷⁷.

A study to evaluate the influence of SME financing on the growth of small and medium-sized businesses (SMEs) in Nigeria (via deposit money banks) was conducted. The Central

Bank of Nigeria's (CBN) Bulletin was used to compile statistics spanning 34 years. Regression models were used to assess the data. The data show that deposit money banks' financing of SMEs has a favourable and considerable impact on Nigeria's economic growth. Furthermore, during the study period, the monetary policy rate, inflation rate, and interest rate all contributed negatively to GDP, whereas credit to the private sector and credit to SMEs all contributed favourably to real GDP. The paper recommends that Nigeria's monetary authority should ensure that bank loans are rigorously scrutinized so that money reaches private-sector money users with less reliance on collateral, ultimately strengthening the country's economy. In view of COVID-19's negative impact on SMEs in Nigeria and around the world, the monetary authority (CBN) should also take actions to influence the interest rate regime downward and temper the monetary policy rate in order to reduce the downside risk to both SMEs and economic growth¹⁷⁸.

The study on the problems associated with financing small and medium enterprises from the Capital Market examined the reason(s) responsible for the inability of the small and medium enterprises to secure long term funds from the capital market, also, determining the requirements that would qualify the small and medium enterprises for such funding¹⁷⁹. The study adopted a descriptive statistic survey by sampling 80 small and medium enterprises in Anambra state (40 SMEs each from Onitsha and Nnewi). Questionnaires were administered to business owners and/ or their representatives. Data generated were analyzed using simple tabulation, percentages and Chi- Square (X²) statistical methods. The results of the analysis showed that almost all SMEs owners have little or no knowledge of the activities of the capital market and the potential benefits it carries for the sustenance of their businesses, even the few numbers that were seemingly aware were not keen at approaching the capital

market in order to still continue to retain the total control of their businesses. The study recommended for fair and not too stringent regulatory requirements from the Nigerian Stock Exchange to guarantee a friendly investment climate that would make SMEs operators and/or investors comfortable to approach the capital market for long term financing in order to grow the economy of the country¹²¹.

Furthermore, in recognition of the indispensable role of MSMEs in economic rejuvenation of the country especially the need to put in place strategies and structures to guarantee the growth of the SMEs, a research was conducted on Small and Medium Scale Enterprises Financing in Nigeria: Problems and Prospects¹⁸⁰. The study adopted a descriptive survey method to examine some of the government interventions in SMEs growth in terms of institutions, policies and programmes and how much of those interventions have rubbed off positively on the SMEs sector. The research revealed that many SMEs were unable to access the intervention funds due to unfavourable conditions attached to them and ambiguous guidelines, therefore, it was recommended that all banks participating in the disbursement of intervention funds to aid SMEs growth should synchronize the applicable guidelines for accessing such funds in order to make them the same and investors friendly¹²².

Using time-series data from 1999 to 2018, using the Ordinary Least Squares estimation E-views 10.0 approach, a study of the extent to which SMEs funding affects economic growth in Nigeria revealed that loan rate reduces ASGDP by 7% and gross capital formation reduces ASGDP by 5%. Furthermore, the massive influence on growth found in prior studies did not hold true for credit to SMEs. The study recommended that the Federal Government and the top bank should make affordable loans to SMEs at single-digit interest rates in order to boost SMEs' performance and growth at the same time¹⁸¹.

2.4 Conceptual Framework

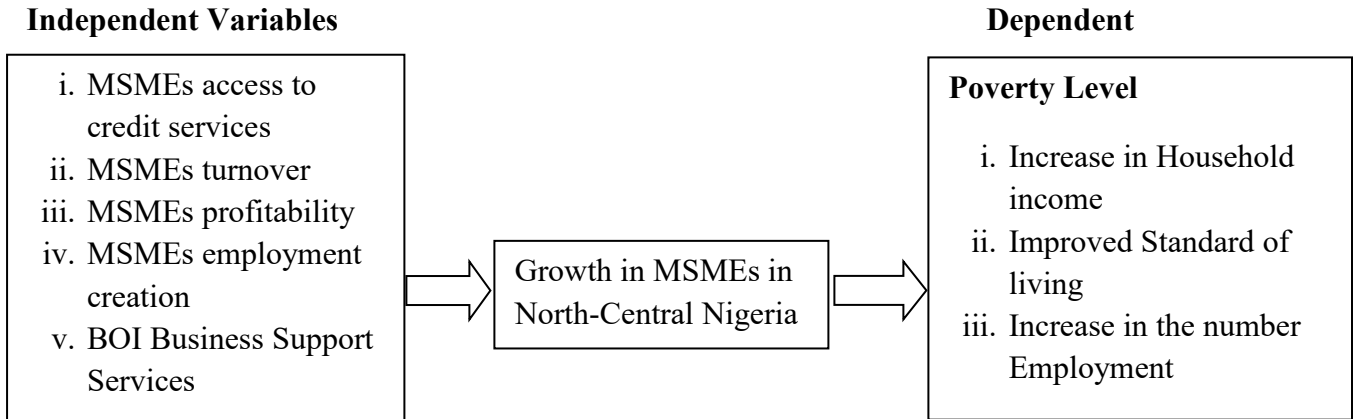


Figure 2.2: Micro, Small and Medium Enterprises Financing and Poverty Level in North-Central Nigeria

Source: Researcher's Design, 2022

The above diagram explains the relationship between the dependent and independent variables. The dependent variable which is poverty level will be measured by; household income, peoples' standard of living and level of employment. The independent variables include; MSMEs access to credit services; MSMEs turnover; MSMEs profitability and MSMEs employment creation. The moderating variable connecting the dependent and independent variables is growth rate, that is, growth in the number of micro, small and medium enterprises in North-Central Nigeria.

2.5 Summary of Gaps in Literature Reviewed

Most of the literatures reviewed so far on poverty and micro, small and medium enterprises financing focused more on the challenges of poverty, the causes of the ineffectiveness of the various poverty alleviation programmes and problems faced in accessing funds to grow the MSMEs sector. This study, therefore, will be different because it will examine the effect of

MSMEs financing on poverty level in one of the backward regions in Nigeria. None of the literature reviewed so far on MSMEs financing and poverty concentrated on North- Central Nigeria. The study will also adopt an integrative approach to tackling the menace of poverty especially considering the financial inclusion of women as a strategic move to reducing the level of poverty in the North-Central Nigeria and how the activities of Bank of Industry, especially its strategic interventions and the business support services have affected the level of MSMEs growth and poverty level in the region.

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Chapter Three

Methodology

This chapter presents the methodology to be employed in carrying out the research work in order to achieve the stated objectives of the study as well as the proposed research hypotheses. The chapter discussed the population of the study, sample size, sampling methods, research design, also, methods of data collection and analysis.

3.1 Research Design

This study was carried out utilizing a convergent parallel design, a mixed-methods design, to acquire a thorough grasp of the subject. Both qualitative and quantitative methods were used to represent the research process. A convergent parallel design requires that the researcher simultaneously perform the quantitative and qualitative portions in the same stage of the research process, balance the methodologies, independently analyze the two components, and combine the results. The convergent parallel design, a mixed methods research has gained wide-spread acceptance in both the business and management fields¹⁸². This is because the research strategy enabled the researcher to have better understanding of the research problem and used the best and necessary strategies to arrive at a better appreciation of the results of the research work.

3.2 Population of the Study

The population of this study includes; all micro, small and medium enterprises in the six states of north-central Nigeria, the staff of the Bank of Industry in the six states under

consideration and the Head office in Lagos. Nigeria has; 38, 413, 420 micro enterprises, 1, 240, 965 small and medium enterprises, that is; Nigeria has a total of 39, 413, 420 micro, small and medium enterprises with the micro enterprises having the largest percentage of 96.9%, small and medium enterprises; 3.1%¹⁸³. Out of the total MSMEs in the country, the six states in the North-Central Nigeria has a total of 5, 757,817 micro, small and medium enterprises which is 14.5% of the total MSMEs in the country.

Table 3.1. Distribution of MSMEs in North-Central Nigeria

Total MSMEs in North-Central Nigeria			
S/N	State	Total	%
1	Benue	840,673	15
2	Kogi	713,779	12.3
3	Kwara	1,348,249	23
4	Nasarawa	674,125	11.7
5	Niger	1,149,977	20
6	Plateau	1,031,014	18
	Total	5, 757,817	100.0

Source: SMEDAN Report, 2022

This statistic speaks volume of the level of development in North-Central Nigeria unlike Lagos, Ogun and Oyo in south-west Nigeria with a total of 6, 265,392 MSMEs representing 16% of the total MSMEs in the country.

Out of the total 5, 757,817 micro, small and medium enterprises in the North-Central Nigeria; Benue state has 840, 673 (15%), Kogi state; 713,779 (12.3%), Kwara state;

1,348,249 (23%), Nasarawa state; 674,125 (11.7%), Niger State; 1,149,977 (20%) and Plateau state; 1,031,014 (18%).

3.3.1 Sample and Sampling Techniques

The researcher employed the use of a two-stage cluster sampling technique. The total population of the study was divided into senatorial districts as subgroups with each senatorial district representing a cluster from where a percentage of respondents were randomly selected to form the sample size. To compute the sample size, the Cochran sample size formula (1977) was employed. Cochran sample size formula enabled the researcher to calculate the ideal sample size given the desired level of precision, desired confidence level, and the estimated proportion of the attribute present in the population. This formula is most appropriate to arrive at the sample size of a large population.

Cochran sample size formula is given as; $N_0 = Z^2PQ/E^2$ Where;

Z = z-score, E = margin of error, P = standard of deviation and $Q = 1-P$

Therefore, computing the sample size with 95% confidence level, 50% standard deviation, and a 5% margin of error, we have;

$Z = 1.96$, $E = 0.05$, $P = 0.5$, $Q = 1-0.5$. Therefore: $1.96^2 * 0.5 (1-0.5)/0.05^2 = 384$

The sample size for this study will be 384 respondents as contained in Table 3.2.

Table 3.2. State by State distribution of Sample Size

Sample Size Compilation				
State	Total No of MSMEs in North-Central	% of MSMEs	% of MSMEs * 384	Sample Size
Benue	840,673	15	57.6	58
Kogi	713,779	12.3	47.2	47
Kwara	1,348,249	23	88.3	88
Nasarawa	674,125	11.7	44.9	45
Niger	1,149,977	20	76.8	77
Plateau	1,031,014	18	69.1	69
	Total			384

Source: SMEDAN Report 2022

The sample size was arrived at by dividing the total number of sample size by the percentage of Micro, Small and Medium Enterprises in each state. Therefore, a sample size of 58 respondents were randomly selected in Benue State, 47 in Kogi State, 88 in Kwara State, 45 in Nasarawa State, 77 in Niger State and 69 in Plateau State. The total sample size for this study was 384.

3.4 Description of the Research Instrument(s)

The research instrument used for this study was the questionnaire. The questionnaire contained closed-ended questions that were designed in such a way as to enable the researcher get accurate information from the respondents in line with the research questions. This was divided into two sections. Section A was designed to collect the social demographic characteristics of the respondents while Sections B posed questions in line with the stated objectives of the study. The respondents provided their responses by checking the appropriate boxes next to the options, which are Strongly Agreed (SA), Agreed (A), Strongly Disagree (SD), Disagree (D), and Neutral (N). The respondents ticked their options in response to questions about the level of poverty, MSMEs' access to credit services, MSMEs' turnover, MSMEs' profitability, MSMEs' employment creation, and BOI Business Support Services, covering all of the study's objectives.

3.5 Validity of Research Instrument

The questionnaire was given to the supervisor and other experts inside and outside the department for item validation before being administered. The questionnaire was also presented to some Bank of Industry officials for face and content validation of the items. This was done before the questionnaires were distributed to the general public, and all corrections and comments were duly noted. This procedure allowed the researcher to find and correct any ambiguity in the way the items were phrased in order to obtain the proper answer to each question. Also, a pilot study was conducted on samples of respondents in order to gauge respondents' degree of comprehension and accurate interpretation of the questions. The test was carried out to evaluate the reliability and validity of the research instrument. Therefore, before the questionnaire was distributed to the respondents in the states under consideration, the same questionnaire was administered to 24 MSMEs owners

in Ikeja, Ajeromi-Ifelodun and Alimosho Local Government Areas of Lagos State to clear every ambiguity (if any) in the research instrument. The researcher adopted Cronbach Alpha statistical test, the most common internal consistency reliability estimate. The pilot test was conducted by administering questionnaires to 24 MSMEs with Cronbach's Alpha statistical test of 0.783 obtained (As contained in Appendix 20) exceeding the standard of 0.70 and was considered appropriate for achieving the research objectives.

3.6 Reliability of Research Instrument

In addition, after the completed questionnaires were received, the researcher conducted personal interviews with some of the respondents to determine their level of understanding of the research questions and compare their responses to those provided when completing the questionnaire to determine their level of reliability. Also, a reliability test was carried out as contained in 4.3.

3.7 Administration of Research Instrument and Data Collection Methods

The data collection methods used for this study were; participatory observation, in-depth interviews, online surveys, telephone surveys and a well-structured questionnaire. This method allowed the researcher to have a total grasp of the understanding of respondents about the research as well as get the true feelings and responses, especially during the personal interview process, which was informal. The well-structured questionnaire and in-depth interviews were considered the most appropriate data collection instruments for this study. However, due to the fact that it was practically impossible for the researcher to meet and interact one on one with the 384 respondents from the six states in North-Central Nigeria, the services of trained research/field assistance were sought to assist in

administering the questionnaires and conduct personal interview especially thoroughly explaining the intends and contents of the research questions to the respondents in the best language possible in order to obtain their objective opinions/responses, also, the questionnaire was sent to some of the respondents online. The result of the data collected through this exercise was used to test the relevant hypotheses.

3.8 Method Data Analysis

Data captured in the study, were analyzed using descriptive statistical methods. The descriptive analysis involves the use of percentages, tabulations, and graphs in analyzing data. Also, the use of Ordinal Regression Method (ORM) as a method of analysis to check relationship between Micro, Small and Medium Enterprises (MSMEs) financing and poverty level in North- Central Nigeria was adopted. The reason for going for this method of analysis was because of the distribution of the data which is not normally distributed. ORM is used for data captures that is not normally distributed. Ordinal regression method is a statistical method designed for the distribution of a data that is not normally distributed. It is a non -parametric estimate which establishes the relationship among variables of investigation.

The model used for this study was dependent on the formulated hypotheses which will examine MSMEs financing and poverty level in North-Central Nigeria. Poverty and unemployment are directly correlated as most of the people that are poor have either no employment in the formal public or private sector and/or lack the capacity especially finance to start or create employment.

From the above, the model for measuring the level in poverty will be stated as;

Poverty level = f (MSMEACS, MSMETO, MSMEPR, MSMEEC). An estimable form of the above model will be given as:

$L(P) = \alpha + \beta_1(AC) + \beta_2(TO) + \beta_3(PR) + \beta_4(EC) + U_1$ Therefore, the model will be specified as;

$$\text{Log } h_0(t) = \alpha(t) + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \beta_4 X_{i4} + u_1 \dots\dots\dots$$

Where

X takes the form of $X_1 \dots X_4$.

i is a subscript for observation

X_s ' are the covariates

α is a constant that represents the log baseline and

$\text{Log } h_0(t)$ takes a binary form, 1 if death occurs and 0 if death does not occur.

$\beta =$ is the vector of parameters to be estimated.

The predictor variables are given as $X_1, X_2, X_3,$ and X_4 ;

Where

$X_1,$ = MSMEs access to credit services

$X_2,$ = MSMEs turnover

$X_3,$ = MSMEs profitability

X_4 , = MSMEs employment creation

U_1 = Error term

A priori, $\beta_1 > 0$; $\beta_2 > 0$; $\beta_3 > 0$; $\beta_4 > 0$;

Therefore, the model for investigating Micro, Small and Medium Enterprises Financing and Poverty Level in North-Central Nigeria, can be written in a functional form as shown below:

Poverty Level = f (Access to credit services, MSME Turnover, MSME Profitability, MSME Employment creation)

$$LP = f(AC, TO, PR, EC) \dots \dots \dots (1)$$

LP = The dependent variable “poverty level” is a function of MSMEs Access to credit services, MSME Turnover, MSME Profitability, and MSME Employment creation.

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Endnotes

¹⁸² G. E. Oyedokun, *Research Methodology for Management and Social Science*. Aaron & Hur Publishing: Lagos, Nigeria, 2020.

¹⁸³ Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). *SMEDAN and National Bureau of Statistics collaborative 2021 MSME Survey Report*, 2022.

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Chapter Four

Results and Discussion of Findings

This chapter presents the analysis of the data collected through questionnaire and the discussion of findings. The aim of this thesis was to examine Micro, Small and Medium Enterprises (MSMEs) Financing and Poverty Level in North-Central Nigeria. A structured questionnaire was distributed physically and online to different MSMEs owners in different industries and utilized as the data source. The collected data was entered into SPSS (Statistical Package for Social Science) and analyzed using percentages, means, and standard deviation. The results were presented using descriptive statistics.

4.1 Demographic Data Analysis

4.1.1 Characteristics of the Respondents

In line with the plan of study, this chapter provides a statistical data, and analysis of the data gathered in the course of this study. The data were obtained through the administration of questionnaire. A total of 450 questionnaires were administered on the respondents and intensive effort was made to ensure that 384 were filled and submitted. These responses were good for the purpose of this study.

A great deal of importance is usually attached to data analysis; this is because conclusions drawn will be based on the data analyzed. Therefore, to make the study easier to understand, the analysis of the data in respect of a particular question was immediately followed by the presentation of findings. This would enable any reader to understand better the data and the

results arrived at. The analysis and presentation of data also gave meaning to the data collected.

4.1.2 Demographic Characteristic of the Respondents

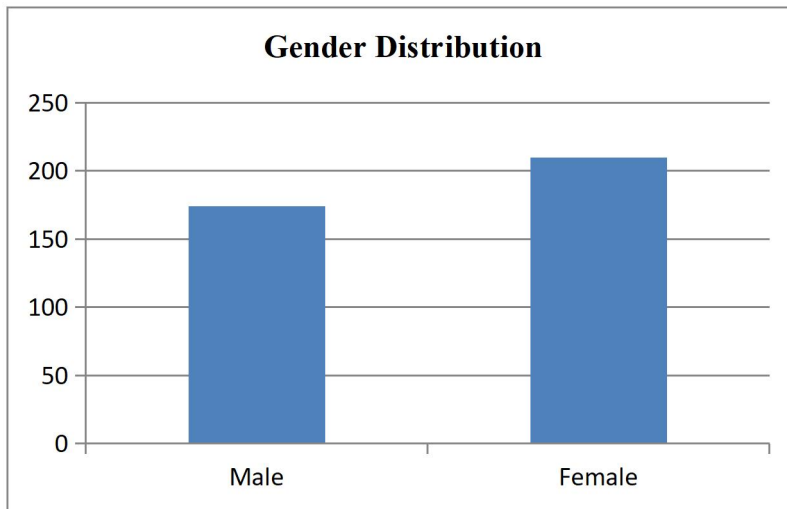
The demographic characteristics of the respondents are of great important in any survey research. It allows for the characteristic, quality and relevant of the respondents in the study to be assessed. To this end, the current study collected selective and relevant demographic characteristics of the respondents which include; gender, age, marital status, years in business, and education level. In this case, study validates the quality and relevance of the respondents to the study. The analysis of demographic characteristics of the respondents are shown in tables below.

Table 4.1 Gender Distribution of the Respondent

GENDER	FREQUENCY	PERCENT (%)
Female	210	54.4
Male	174	45.6
Total	384	100.0

Source: Research Survey, 2022

From the table 4.1 above, it is observed that 210 of the respondents which represent about 54.4% of the respondent analysed in the study were females while 174 of the respondents which represent about 45.6% of the respondents were males. This implies that the study captures more females than males as represented graphically below.



Source: Research Survey, 2022

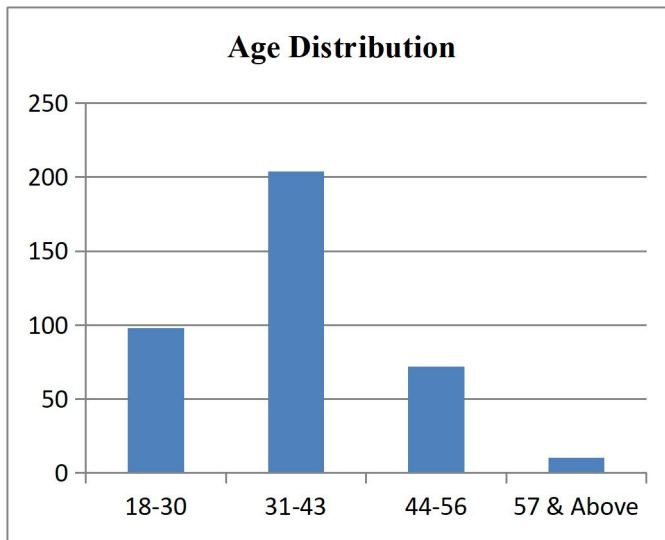
Table 4.2 Age distribution of the Respondents

AGE	FREQUENCY	PERCENT (%)
18-30 years	98	25.5
31 - 43 years	204	53.1
44 - 56 years	72	18.7
57 years and above	10	2.7
Total	384	100.0

Source: Research Survey, 2022

As observed in Table 4.2, 98 of the respondents which represent about 25.5% of the respondents were within the age range of 18 years to 30years old while 204 of the respondents which represent about 53.1% of the respondents were between 31years of age and 43 years old. 72 (18.7%) of the respondents were between 44years of age and 56 years old and 10 (2.7%) of the respondents were of the age 57 years and above. The implication of this result is that majority of the respondents captured in the study were of young generation

who are more involved in the MSMEs than the older generation. Their understanding of (MSMEs) Financing and Poverty Level in North-Central Nigeria is paramount in their contribution to the study as depicted in the graph below.



Source: Research Survey, 2022

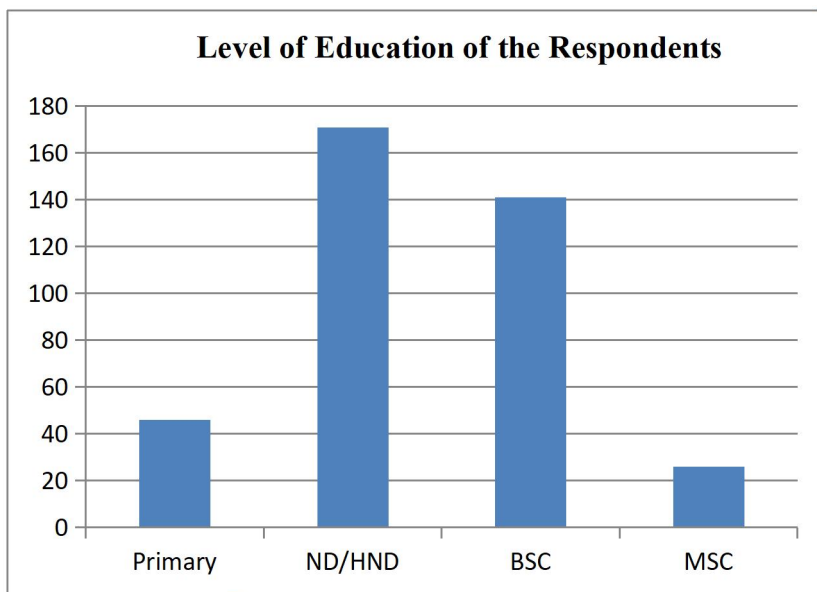
Table 4.3 Level of Education of the Respondents

Level of Education	Frequency	Percent (%)
Primary	46	11.9
ND/HND	171	44.6
B.SC	141	36.8
MSC	26	6.7
Total	384	100.0

Source: Research Survey, 2022

As observed in Table 4.3, 46 of the respondents which represent about 11.9% of the respondents possessed primary education, 171 (44.6%) of the respondents possessed

Ordinary National Diploma or Higher National Diploma (HND); 141 (36.8%) of the respondents had a Bachelor of Science (B.Sc) degree, 26 (6.7%) of the respondents had a Master degree. From these results, it implies that majority of the respondents who are owners of the business ventures are having ND/HND 171 (44.6%), followed by respondents having BSC 141 (36.8%) while the least MSc holders had the least number of respondents in the study 26 (6.7%). The implication of this analysis shows that most of the respondents were educated and can fully understand the contents of the questionnaire and be able to give objective opinion as much as possible. This analysis is represented in the graph below.



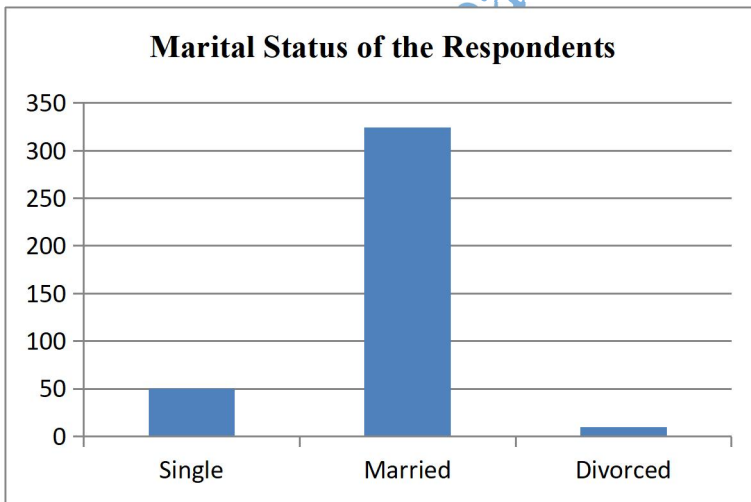
Source: Research Survey, 2022

Table 4.4 Showing the Marital Status of the Respondents

Status	Frequency	Percent (%)
Single	50	13.0
Married	324	84.4
Divorced	10	2.6
Total	384	100.0

Source: Research survey, 2022

The above table revealed the marital status of the respondents. From the Table 4.4 above, it is observed that 50 of the respondents which represent about 13% of the respondent analysed in the study were Single while 324 of the respondents which represent about 84.4% of the respondents were married and 10 (2.6%) of the respondents were divorced. This implies that the study captured more married as represented in the graph below.



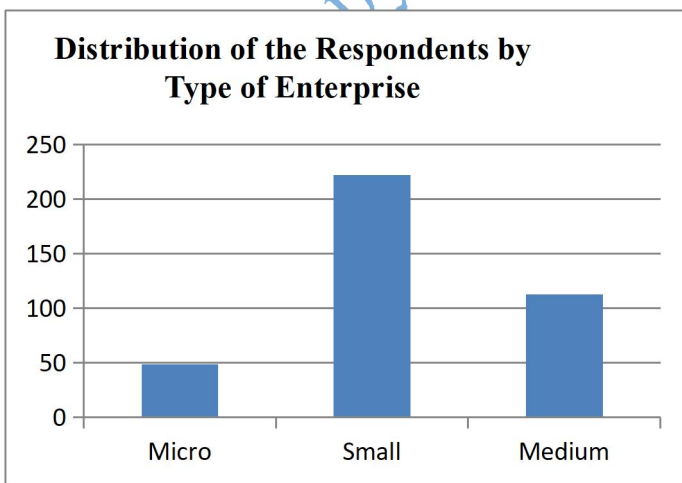
Source: Research Survey, 2022

Table 4.5 Types of MSMEs enterprise of the Respondent

Enterprise	Frequency	Percent (%)
Micro	49	12.8
Small	222	57.8
Medium	113	29.4
Total	384	100.0

Source: Research survey, 2022

As observed in table 4.5, 49 of the respondents which represent about 12.8% of the respondents were micro enterprise firms while 222 of the respondents which represent about 57.8% of the respondents were small enterprise firms and 113 (29.4%) of the respondents were medium enterprise firms. The implication of this result is that majority of the respondents captured in the study were small enterprise firms. Their understanding of MSMEs Financing and Poverty Level in North-Central is paramount in their contribution to the study.



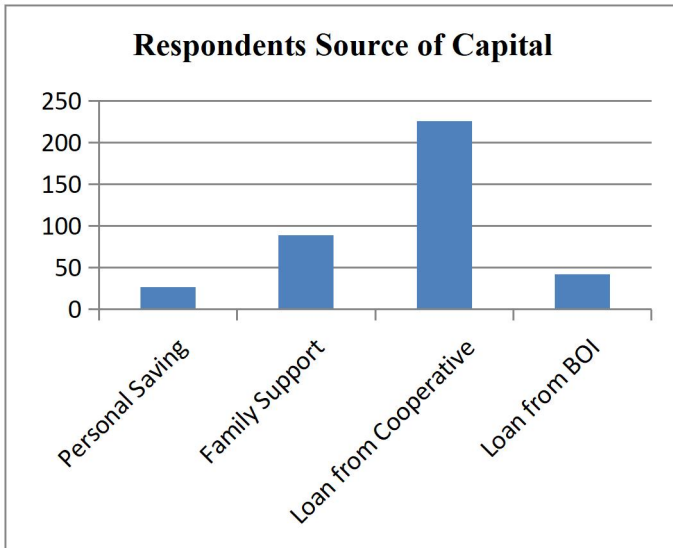
Source: Research Survey, 2022

Table 4.6 Show how the Respondent raise money for their business

	Frequency	Percent (%)
Personal savings	27	7.0
Family Support	89	23.3
Loan from Cooperative	226	58.8
Loan from BOI	42	10.9
Total	384	100.0

Source: Research Survey, 2022

The Table above revealed how the respondents raise money for their MSMEs businesses. From Table 4.6, 27 (7%) of the respondents raised money through their personal saving for their MSMEs business, 89 (23.3%) of the respondents raised money through family support for their businesses, 226 (58.8%) of the respondents raised money through cooperative societies while 42 (10.9%) of the respondents raised fund through the Bank of Industry. It can be deduced from the above that majority of the respondents financed their MSMEs business through loan from the cooperative societies as depicted in the graph below.



Source: Research Survey, 2022

Table 4.7 Show the outcome of bank loan applied for and negotiated

	Frequency	Percent (%)
Applied but refused because cost too high	148	38.5
Applied but rejected	88	22.9
Applied and got everything	100	26.1
Applied but only got part of it	48	12.5
Total	384	100.0

Source: Research Survey, 2022

Table 4.7 show the outcome of bank loan applied for, 148 (38.5%) of the respondents applied for bank loan but refused to take it up because the cost was high, 88 (22.9%) of the respondents applied but it was rejected, 100 (26.1%) of the respondents applied for bank loan and got everything, 48 (12.5%) of the respondents applied for bank loan and got part of

it. It can be deduced from the table that majority of the respondents applied for bank loan but refused to take it up due high cost of the facility.

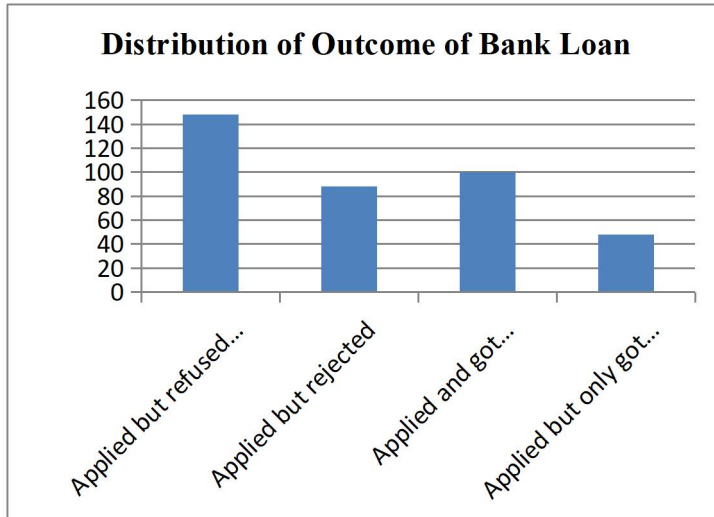


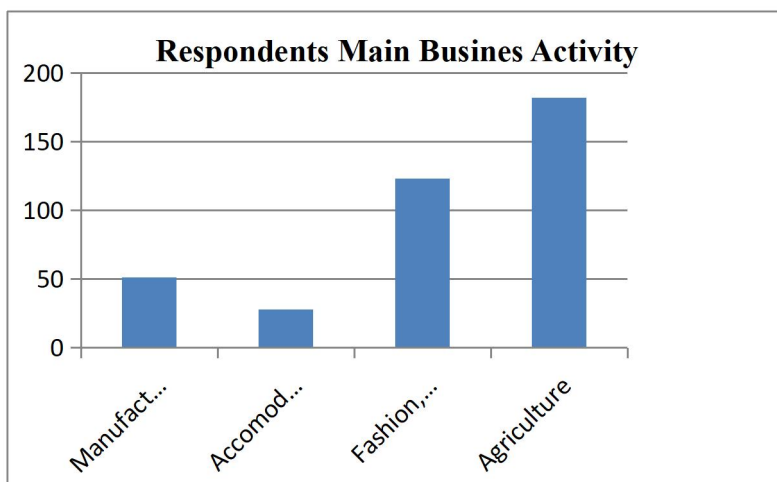
Table 4.8 Show the business main activity

	Frequency	Percent (%)
Manufacturing	51	13.3
Accommodation and food service activities	28	7.3
Fashion, Beauty and Personal Care Industry	123	32
Agriculture	182	47.4
Total	384	100.0

Source: Research Survey, 2022

The table 4.8 revealed the main business activities of MSMEs used for the analysis. It can be deduced from the above table that majority of MSMEs main business activity were within agriculture sector with 182 (47.4) follow by Fashion and Beauty with 123 (32%). The

implication of this result is that majority of the respondents captured in the study were within the agricultural sector as depicted in the graph below.



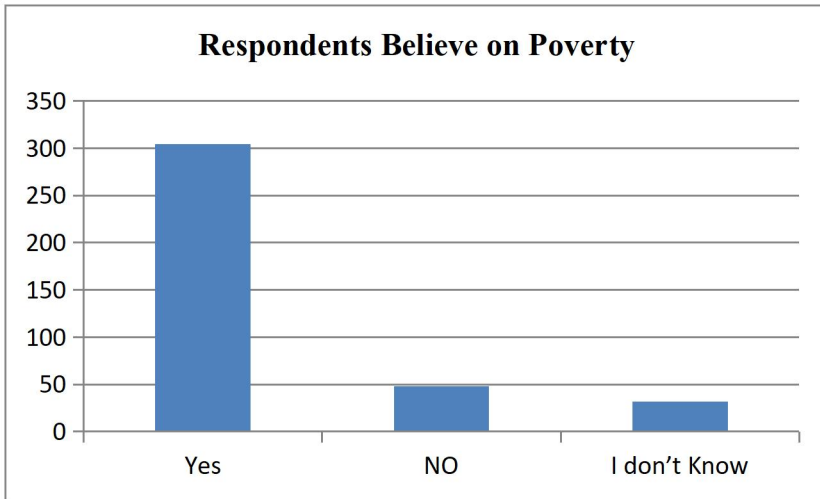
Source: Research Survey, 2022

Table 4.9 Show the believe of the respondents on poverty

	Frequency	Percent (%)
Yes	304	79.2
No	48	12.5
I don't Know	32	8.3
Total	384	100.0

Source: Research Survey, 2022

Table 4.9 revealed the believed of the respondents on poverty level in the North-Central Nigeria. Majority of the respondents with 304 (79.2%) believed that there is poverty in the North-Central Nigeria.



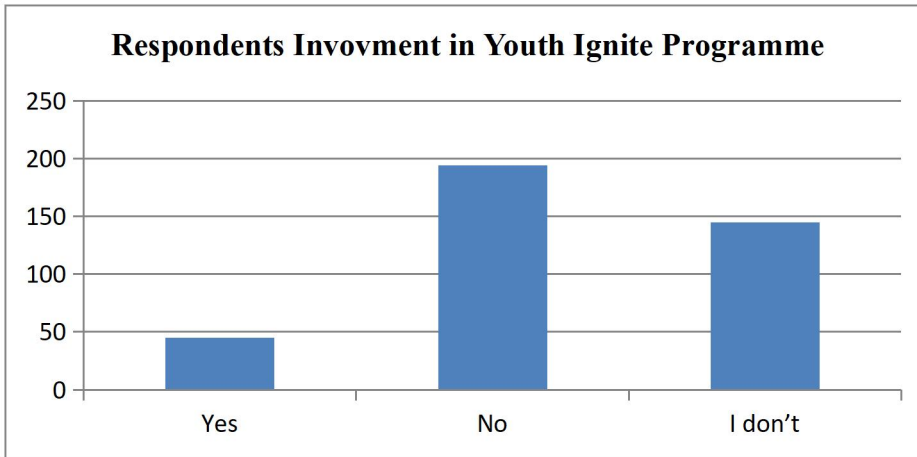
Source: Research Survey, 2022

Table 4.10 Show the involvement of the respondents in Youth Ignite Programme under the Bank of Industry

	Frequency	Percent (%)
Yes	45	11.7
No	194	50.5
I don't Know	145	37.8
Total	384	100.0

Source: Research Survey, 2022

Table 4.10 revealed the involvement of the respondents in youth ignite programmed of Bank of Industry. It can be deduced from the above table that majority of the respondents with 194 (50.5) have not been involved in the programme for once.



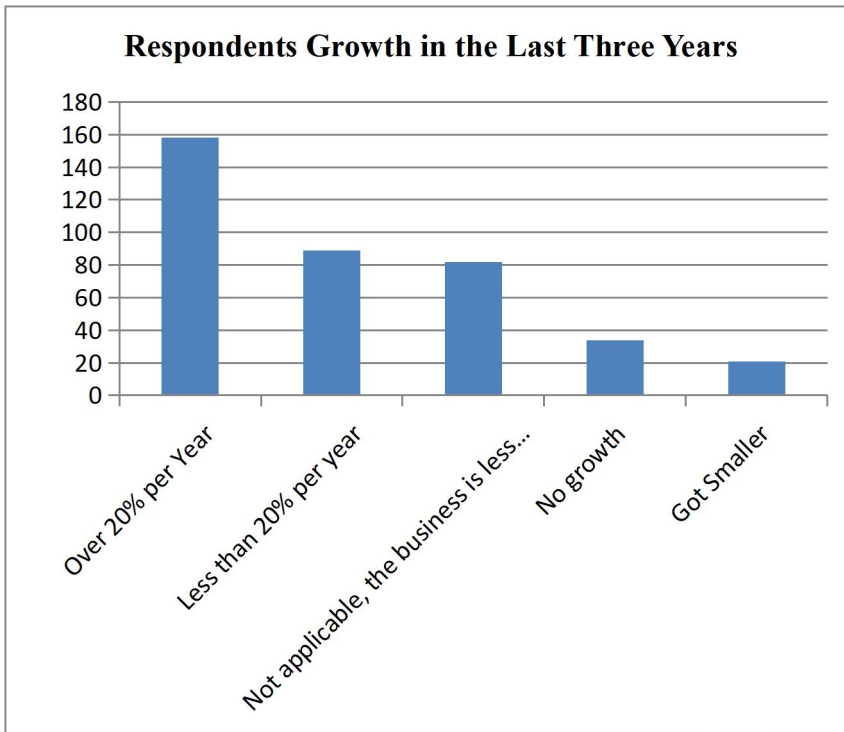
Source: Research Survey, 2022

Table 4.11 Show the growth of MSMEs over the last three years

	Frequency	Percent (%)
Over 20% per year	158	41
Less than 20% per year	89	23.2
Not applicable, the business is less than three years	82	21.4
No growth	34	8.9
Got Smaller	21	5.5
Total	384	100.0

Source: Research Survey, 2022

Table 4.11 revealed the growth of MSMEs over the past three years. It can be deduced from the above table that majority of the MSMEs, 158 (41%) only grew by over 20% per year in the last three years.



Source: Research Survey, 2022

4.2 Presentation of Data

Table 4.2 Reliability Test

Reliability Statistics

Cronbach's Alpha	N of Items
.784	396

Table 4.12 revealed reliability test which tests the reliability of the research instruments (the questionnaire). The coefficient of Alpha from the above showed that the instruments used in this analysis is reliable because the value of Cronbach's Alpha which is 0.78 which is high,

this means that the responses gotten from the respondents were good enough to be used in analyzing MSMEs Financing and Poverty Level in North-Central Nigeria.

4.3 Normality Test

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
PL	.214	384	.000	.759	384	.000
AC	.141	384	.015	.912	384	.001
TO	.108	384	.200	.902	384	.001
PR	.225	384	.000	.610	384	.000
EC	.501	384	.000	.508	384	.000
BS	.012	384	.012	.381	384	.002

a. Lilliefors Significance Correction

The above revealed the normality test of the data used for the analysis. From Kolmogorov-smirnov test which test for the sample above 100. It can be deduced that all the parameters are statistically significant because the p-value of all the coefficients are greater than 0.05 which indicate that the distribution was not normally distributed as a result of the significance of the variables used. Moreover, in the test for parallel line (Appendix 19)

which shows p-value (1.000) is not significant i.e greater than 0.05 indicate that the distribution is not normally distributed. Consequently, ordinal regression method is adopted.

4.4 Goodness of Fit

Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	565.518	585	.711
Deviance	218.498	585	1.000

Link function: Logit.

The Goodness-of-Fit model was established to check the fit between model and the data. In the above table it can be observed that data is consistent with the fitted because p-value for Pearson is 0.711 and for deviance 1.000, which is greater than 0.05. Hence, we will not reject the null hypothesis. Therefore, it was revealed that the observed data is consistent with the fitted model.

4.5 Pseudo R-square

Pseudo R-Square

Cox and Snell	.077
Nagelkerke	.078
McFadden	.018

Link function: Logit.

The pseudo R-square revealed the coefficient of determination which measures the proportion of the variation in the dependent variable (poverty level) is predicted by the independent variable. The Nagelkerke coefficient from the above table shows that 78% of the variation in the dependent variable is explained by the independent variable.

4.6 Regression Analysis

Table 4.6 Regression Analysis

Parameter Estimates								
		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[PL = -3.287	1.297	6.427	1	.011	-5.828	-.746	
	1.22]							
	[PL = -2.978	1.263	5.563	1	.018	-5.453	-.503	

	1.44]							
	[PL =	-2.176	1.205	3.259	1	.071	-4.539	.186
	1.56]							
	[PL =	-1.241	1.169	1.126	1	.289	-3.532	1.051
	1.67]							
	[PL =	-.303	1.152	.069	1	.793	-2.560	1.955
	1.78]							
	[PL =	.533	1.155	.213	1	.644	-1.731	2.798
	1.89]							
	[PL =	.755	1.160	.424	1	.515	-1.518	3.029
	2.00]							
	[PL =	1.130	1.173	.928	1	.335	-1.169	3.429
	2.11]							
	[PL =	2.094	1.241	2.846	1	.092	-.339	4.526
	2.22]							
	[PL =	2.414	1.278	3.566	1	.059	-.091	4.920
	2.33]							
	[PL =	2.851	1.347	4.480	1	.034	.211	5.490
	2.44]							
	[PL =	3.575	1.526	5.490	1	.019	.584	6.565
	2.56]							
Locatio	AC	-.483	.475	1.034	1	.003	1.414	.448
n	TO	-.236	.648	.133	1	.001	1.506	1.034

	PR	-.478	.324	2.181	1	.000	.156	1.112
	EC	-.567	.678	6.342	1	.002	.942	1.890
	BS	.890	.321	.125	1	.610	.753	1.563
Link function: Logit.								

Source: Research Survey 2022

The above table shows the ordinal regression which revealed the level of relationship among the variables of investigation. From the table PL thresholds are the dependent variable while the independent variables are AC, TO, PR, EC, and BS. The table revealed the relationship among poverty level, MSMEs access to credit, turnover, profitability, employment creation and bank of industry business support. It can be deduced from the above regression table, MSMEs financing has a negative impact and significant impact on poverty level in North-Central Nigeria because the p-value of all the parameters except BS are less than 0.05. Statistically, a unit change or 1% change in MSMEs access to credit, turnover, profitability and job creation will bring about 48.3%, 23.6%, 47.8%, and 56.7% reduction in the poverty level in North-Central Nigeria. Moreover, Bank of industry business support has a positive effect on poverty level although it is not statistically significant. It means that bank of industry business support has not been so effective in supporting and financing MSMEs businesses in the North-Central which can bring about reduction in the poverty level.

4.2.1 Presentation of Research Questions

The study attempted to answer the following questions:

5. how has the MSMEs access to credit services affected the poverty level in North-Central Nigeria?

6. to what extent has the turnover of MSMEs affected the level of poverty in North-Central Nigeria?
7. what is the effect of MSMEs profitability on the poverty level in North-Central Nigeria?
8. what has been the effect of MSMEs employment creation on the poverty level in North-Central Nigeria?

4.2.2 Presentation of Hypotheses

Ho1: MSMEs access to credit services has no significant effect on the poverty level in North-Central Nigeria.

Ho2: There is no significant relationship between MSMEs turnover and the level of poverty in North-Central Nigeria.

Ho3: MSMEs profitability has no significant effect on the poverty level in North-Central Nigeria.

Ho4: MSMEs' employment creation has no significant effect on the poverty level in North-Central Nigeria.

4.3 Discussion on the Findings

Nigeria which is regarded as the giant of Africa is endowed with a wealth of human and material resources. The majority of which are raw materials, but the country is yet to realize the potential of these resources in raising the living standards of its citizens, since a huge portion of the population remains impoverished. Despite all of the efforts of governments throughout the world to alleviate poverty, it remains a serious issue around the world. No nation in the world can be considered to be completely devoid of poverty, even though the magnitude of it ravish varies depending on the country's degree of socio-

political development. Poverty is a difficult concept to grasp on its own and it is more prevalent in developing countries like Nigeria.

In analyzing the data to achieve the stated objectives set in chapter one of this study, the Researcher employs a descriptive analysis and regression analysis. The descriptive performed on demographic of the respondents.

The first objective (as analysed in Table 4.7) is to ascertain the effect of MSMEs access to credit services on the poverty level in North-central Nigeria. The MSMEs sector is a significant sector in the economy of any nation of the world. Due to its ability to create employment and raise a country's gross domestic product, the sector is credited with playing a significant role in economic development. The Financial Bill of 2019 states in clear terms that, any business with annual sales of less than ₦25 million is classified as a small business, while businesses with annual sales of N25 million to N100 million are classified as medium businesses¹⁸⁴.

Table 4.7: Ascertain the effect of MSMEs access to credit services on the poverty level in North-central Nigeria

MSMEs access to credit services	SA	A	DA	SD	N	
Access to credit services has greatly influenced positively the number of MSMEs operators in North-central Nigeria.	270(70.3%)	105(27.3%)	4(1%)		5(1.4%)	384(100%)

The provision of cheap and affordable credit services to the MSMEs enhances their accessibility to funds and increases their income level thereby reducing the level of poverty.	275(71.6%)	105(27.4%)			4(1%)	384(100%)
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Source: Research Survey 2022

From Table 4.7, it is observed that 275(71.6%) of the respondents strongly agreed that the provision of cheap and affordable credit services to the MSMEs enhances their accessibility to funds and increases their income level thereby reducing the level of poverty in the North central of Nigeria; 105(27.4%) also agreed that provision of cheap and affordable credit services to the MSMEs enhance their accessibility to funding and increases their income level thereby reduces the level of poverty while 4(1%) of the respondents are neutral. The implication of the result is that majority of the respondents in the study agree that the provision of cheap and affordable credit services to the MSMEs enhances their accessibility to funds and increases their income level thereby reducing the level of poverty in North-central, Nigeria.

Moreover, it can be deduced from Table 4.6 above that MSMEs access to credit services has a negative impact on the poverty level in North-central Nigeria. A unit change in MSMEs access to credit services will bring about a 48.3% decrease in the poverty level. Statically the value is significant because the p-value of the parameter is less than 0.05 meaning that during the period of this investigation, MSMEs access to credit services has

contributed greatly to the reduction of the poverty level in North central Nigeria. Thus, the null hypothesis of MSMEs access to credit services has no significant effect on the poverty level in North-central Nigeria is rejected and the alternative hypothesis is accepted.

The researcher is of the opinion that MSMEs access to credit affect poverty reduction in North-Central Nigeria. During interview, most of the respondents revealed that access to credit facilities has an impact in financing their business and asset acquisition. It was also revealed that this is not limited to their business alone; it also helps to improve the financial status of their family. The results of this study correlate with the findings of study which state that, MSMEs access to credit facilities has a substantial impact on poverty alleviation in the North-Central region¹⁸⁵.

The second objective was to investigate how MSMEs turnover affects the poverty level in North-Central Nigeria. The analysis is shown in Table 4.8 below.

Table 4.8: Investigate how MSMEs turnover affects the poverty level in North-central Nigeria

MSMEs turnover	SA	A	DA	SD	N	
Access to and availability of funding is one of the elements influencing the turnover of MSMEs operators in North-central Nigeria	123(32%)	201(52.3%)	36(9.4%)	1(0.3%)	23(6%)	384(100%)

Source: Research Survey 2022

From Table 4.8, revealed the level of relationship between MSMEs turnover and poverty level in North-central Nigeria. It is observed that 123(32%) of the respondents strongly agreed that access to finance is one of the factors influencing the turnover of MSMEs operators in the North central of Nigeria; 201(52.3%) also agreed that poverty is the major problem peculiar to the North central while 36(9.4%) disagreed, 1(0.3%) strongly disagreed that that access to finance is one of the factors influencing the turnover of MSMEs operators to the North-central and 23(6%) were neutral. The implication of the result is that majority of the respondents in the study agree that access to finance is one of the factors influencing the turnover of MSMEs operators to the North central

Table 4.6 revealed that MSMEs turnover has a negative and significant impact on the poverty level. A unit change or 1% change in MSMEs turnover will bring about a 23.6% decrease in poverty level. Statistically, the value is significant because the p-value of the parameter is less than 0.05 meaning that MSMEs turnover during the period of study contributed immensely to the reduction of poverty in North-central Nigeria. Thus, the null hypothesis of no significant relationship between MSMEs turnover and poverty level is rejected and the alternative hypothesis is accepted.

One of the objectives of this study was to examine the effect of MSMEs profitability on poverty level in the North-central as explained in the analysis below.

Table 4.9: The effect of MSMEs profitability on the poverty level in North central Nigeria

MSMEs profitability	SA	A	SDA	D	N	
In North-central Nigeria, MSMEs' profitability levels are affected by a lack of capital and government support	47(12.2%)	200(52.1%)	91(23.7%)	7(1.8%)	39(10.2%)	384(100%)
Access to credit services has greatly influence positively the profits of Business owners in North-central Nigeria	90(23.4%)	200(52.1%)	65(16.9%)	1(0.3%)	28(7.3%)	384(100%)

Source: Research Survey 2022

From Table 4.9, it is observed that 90(23.4%) of the respondents strongly agreed that access to credit and finance is one of the factors influencing the profit of MSMEs business owners in North central Nigeria; 200(52.1%) also agreed that access to credit and finance is one of the factors influencing the profit of MSMEs business owners in the North central of Nigeria while 65(16.9%) disagreed, 1(0.3%) strongly disagreed that that access to credit and finance is one of the factors influencing the profit of MSMEs business owners in the North-central Nigeria. The implication of the result is that majority of the respondents in the study agree

that access to credit and finance is one of the factors influencing the profit of MSMEs business owners in North- central Nigeria.

Moreover, it can be deduced from the above Table 4.6 that MSMEs profitability has a negative and significant effect of poverty level under the period of investigation. A unit change or 1% change in MSMEs profitability will bring about a 47.8% decrease in poverty level in the North-central. Statistically, the value is significant because the p- value of the parameter is less than 0.05. Thus, the null hypothesis of MSMEs profitability has no significant effect on poverty level is rejected and the alternative hypothesis is accepted.

The study went further to establish the relationship between MSMEs employment creation and poverty level as depicted in Table 4.10.

Table 4.10: Establish the effect of MSMEs employment creation on the poverty level in North central Nigeria

MSMEs employment creation	SA	A	SDA	D	N	
An increase in the numbers of MSMEs owners has positively affected the number of people that are gainfully employed in North-central Nigeria	241(62.3%)	62(16.4%)	51(13.8%)	2(0.4%)	28(7.1%)	384(100%)

Due to the availability of credit facilities for MSMEs owners in North-central Nigeria, more women are gainfully employed	76(19.8%)	233(60.7%)	52(13.5%)	2(0.5%)	21(5.5%)	384(100%)
Expansion of MSMEs can increase employment opportunities due to financing and funding	118(30.7%)	218(56.7%)	22(5.7%)	1(0.3%)	25(6.6%)	384(100%)

Source: Research Survey 2022

From Table 4.10, it is observed that 241(62.3%) of the respondents strongly agreed that an increase in the numbers of MSMEs owners has positively affected the number of people that are gainfully employed in North-central Nigeria; 62(16.4%) also agreed that increased in the numbers of MSMEs owners has positively affected the number of people that are gainfully employed in North-central Nigeria while 51(13.8%) disagreed, 2(0.4%) strongly disagreed that increased in the numbers of MSMEs owners has positively affected the number of people that are gainfully employed in North-central Nigeria. The implication of the result is that majority of the respondents in the study agree that an increase in the numbers of MSMEs owners has positively affected the number of people that are gainfully employed in North-central Nigeria.

It was revealed from Table 4.6 that MSMEs employment creation has a negative and significant impact on poverty level. From the table, a unit change or 1% change in MSMEs

employment creation will bring about a 56.7% reduction in poverty level in the North-Central. Thus, the null hypothesis of MSMEs employment creation has no significant effect on poverty level in the North-Central is rejected and the alternative hypothesis is accepted.

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Endnotes

¹⁸⁴ E. G. Onyejekwulum, *The Finance Bill 2019: A New Dawn for Micro, Small and Medium Enterprises (MSMEs) in Nigeria*, 2019

¹⁸⁵ S. A. Bello, *The Effect of Bank of Industry MSMEs Financing on Poverty Reduction in North-central Nigeria*. **Journal of Sustainable Business, Economics and Finance**, 1(1), 2022, 6-83.

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Chapter Five

Conclusion

This chapter focuses on summarizing the findings, inferring conclusions from them, making recommendations, offering suggestion for future research as well as contribution to knowledge and limitations of the study.

5.1 Summary of Findings

The study examines micro, small, medium enterprises (MSMEs) financing and poverty level in the North-Central Nigeria. Specifically, the study set out to determine the impact of MSMEs access to credit services, MSMEs turnover, MSMEs profitability, MSMEs employment creation and Bank of Industry business support on poverty level in the North-Central Nigeria. In this study, the use of questionnaire was deem suitable, in order to achieve the objective of the study, the structure questionnaire was use to collect responses from the respondents, the data retrieved from the questionnaires were analysed using ordinal regression analysis. The results obtained are summarized below:

- i. MSMEs access to credit services has a negative and significant impact on the poverty level in the North-Central Nigeria.
- ii. MSMEs turnover has a significant and negative effect on poverty level in the North-Central Nigeria.
- iii. MSMEs profitability has a negative and significant effect on poverty level in the North-Central Nigeria.
- iv. MSMEs employment creation has a negative and significant impact on the poverty level in the North-Central Nigeria.

- v. MSMEs bank of industry business support has a positive effect on poverty level in the North-Central Nigeria but not statistically significant because the p-value of the parameter is great than 0.05.

5.2 Conclusion

Micro, Small and Medium Enterprises (MSMEs) in North-Central Nigeria are facing numerous challenges that have hindered their profitability, sales performance and survival. Challenges ranging from poor infrastructural development, accessing credit facility for expansion, poor managerial skills of the MSMEs operators etc. above all is the unexpected outbreak of the Corona virus outbreak (Covid-19) which had an adverse effect on the sales and performance of many MSMEs and has contributed in no small measure to increasing the poverty level in the North-Central, Nigeria. However, some of the problems are directly under the control of MSMEs organizations, if they possess adequate managerial skills to handle them. Poor availability of funds, limited access to the market, lack of capacity to cope with the latest technological innovations, lack of a winning business model, and banks' reluctance to grant loan facilities to MSMEs are among the primary reasons impeding the growth of the MSMEs in the North-Central Nigeria and the nation at large. The study concludes that, multiple financing opportunities to help grow the MSMEs sector of the economy will significantly help to increase MSMEs operations and assist in alleviating the level of poverty in the North-Central Nigeria.

5.3 Recommendations

Based on the findings of the current study, the followings recommendations are deem necessary for MSMEs financing:

- i. Small and medium enterprises in the North-Central should be empowered through different financing means and medium.
- ii. Provision of grant and aids by the government to MSMEs in the North-Central to ensure adequate financing of MSMEs enterprise.
- iii. The Government should provide policies that will support and improve the job creation of MSMEs in the North-Central.
- iv. There is a need for the MSMEs owners to form a formidable association or union in order to be able to influence government decision in their own interest.
- v. The need for the government to address and monitor the activities of loan provided by the bank of industry.
- vi. Bank and other financial institutions should support the growth of the MSMEs through the provision of fund at a cheaper rate.
- vii. Bank of industry should promote and give more loans to MSMEs which will improve their business and in the long run reduces poverty in the region.

5.4.1 Contribution to Knowledge

This research has helped to fill the gap in the existing knowledge on Micro, Small and Medium Enterprises Financing and Poverty Level in North-Central Nigeria. Although various studies have been conducted on this topic, only a few have focused their attention on MSME and poverty level in one of the country's most impoverished region. The objective of the research was to investigate Micro, Small, and Medium Enterprises Financing and Poverty level in North-Central Nigeria especially MSMEs access to credit services, MSMEs turnover, MSMEs profitability and MSMEs employment creation on the poverty level in North-Central Nigeria. The study is noteworthy because it adds to the body of knowledge on Micro, Small and Medium Enterprises Financing and poverty level in North-Central Nigeria. However, because the poverty level is increasingly high in the country, it is critical to prioritize access

to financing for MSME owners as that has the capacity to elevate people out of the precarious poverty state of the region. It is believed that the recommendations in this study if properly implemented can bring about economic fortune to the North-Central region of Nigeria and such can as well be replicated in other regions of the country to bring about economic prosperity to every region of the country.

5.5 Suggested Areas for Further Research

The focus of this research was to examine Micro, Small and Medium Enterprises Financing and Poverty Level in North-Central Nigeria. Poverty, poverty reduction, gender and poverty and financial inclusion are some of the research variables used to carry out the research. However, there is a need for further research in this study area. As a result of this, future research should concentrate on investigating the effect of Gender on Poverty Level in Nigeria. A case study of the North-Central region of Nigeria could be beneficial as well.

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Appendix

Appendix 1. Selected Poverty Alleviation Programmes from 1972 to date

S/N	Programme	Year Established	Head of Government	Target Group	Nature of Intervention
1.	National Accelerated Food Production Programme (NAFPP)	1972	General Yakubu Gowon	Peasant Farmers	To educate farmers; fund agriculture; increase food production
2.	Nigeria Agricultural and Cooperative Bank (NACB)	1972	Yakubu Gowon	Peasant farmer	Agricultural Financing
3.	Operation Feed the Nation (OFN)	1976	Gen. Olusegun Obasanjo	Rural dwellers	To educate farmers; increase food production
4.	Green Revolution	1979	Shehu Shagari	The entire society	To curtail food importation; boost crop and fiber production; mechanized farming.
5.	War Against	1983	General	The entire	War against

	Indiscipline (WAI)/Go Back to the land		Muhammed Buhari and Brigadier Babatunde Idiagbon	society	indiscipline/increased food production War against indiscipline/increased food production.
6.	Directorate for Food, Roads and Rural Infrastructure (DFRRI)	1986	General Ibrahim Badamosi Babangida	Rural Dwellers	Feeder roads rehabilitation, rural water supply and rural electrification.
7.	National Directorate of Employment (NDE)	1986	General Ibrahim Badamosi Babangida	Unemployed	Youths Skill acquisition; Self employment; Labour intensive work scheme; Training, Financing and guidance.
8.	Better Life Programme (BLP)	1987	General Ibrahim Badamosi Babangida	Rural Women	Self help and rural development programme, skill acquisition.
9.	Peoples Bank of Nigeria (PBN)	1989	General Ibrahim	Under privileged in	Encourage saving; provision of loans

			Badamosi Babangida	rural and urban areas	and credit facilities
10.	Community Banks (CB)	1990	General Ibrahim Badamosi Babangida	Rural residents and micro enterprise in urban areas.	Securing loans and credit facilities.
11.	Family Support Programmes (FSP)	1994	General Sanni Abacha	Families in rural areas.	Health care delivery; child welfare; youth development; Improved family nutrition.
12.	Family Economic Advancement Programme (FEAP)	1998	General Ibrahim Badamosi Babangida	Rural dwellers.	Credit facilities to support the establishment of cottage industries; create employment opportunities
13.	Poverty Alleviation Programme (PAP)	2000	Gen. Olusegun Obasanjo	Unemployed youths	Reduce unemployment and crime wave; creating a credit delivery system for farmers;

					increasing adult literacy rate and healthcare delivery; training and settlement of university graduate; developing small industries.
13.	National Poverty Eradication Programme (NAPEP)	2001	Gen. Olusegun Obasanjo	The entire society	Youth Empowerment Scheme (YES); Rural Infrastructure Development Scheme (RIDS); Social Welfare Service Scheme (SOWESS); Natural Resources Development and Conservation Scheme (NRDCS).
14.	Small and Medium Enterprises Development	2003	Chief Olusegun Obasanjo	The entire society	To promote the development of micro, small and medium enterprises

	Agency of Nigeria (SMEDAN)				[MSME] sector of the Nigeria Economy.
15.	National Health Insurance Scheme (NHIS)	2004	Chief Olusegun Obasanjo	The entire society	To provide easy access to health services
16.	National economic empowerment strategy (NEEDS)	2004	Chief Olusegun Obasanjo	The poor in the society	Government reformation, growing private sector, access to health education, welfare, employment, empowerment, security and participatory governance
17.	Seven Point Agenda	2007	Umaru Musa Yar-adua	The entire society	The programme was launched in order to address challenges related to food security, wealth creation, provision of energy and power, transportation,

					security in the Niger Delta, land reforms and education.
18.	Youth Enterprise with Innovation in Nigeria (You-Win)	2011	Dr. Goodluck Ebele Jonathan	Nigerian Youth	The programme is a Private and Public initiative with the aim of financing outstanding business plan for aspiring entrepreneur Nigerian Youth.
19.	Subsidy Reinvestment and Empowerment Program (SURE-P)	2012	Dr. Goodluck Ebele Jonathan	Entire Society	Provision of employments for unemployed graduates through internship programmes, Creating database of unemployed youth and reduce social vulnerability among the group in the country through the mechanism of the

					policy.
20.	National Social Investment Programme (N-SIP)	2016	President Muhammadu Buhari	The entire society	N-SIPS was set up to improve the living conditions of millions of Nigerians. It includes; the N-Power programmes, National Home-Grown School Feeding Programme (NHGSFP), National Cash Transfer Project (NCTP), and Government Enterprise and Empowerment Programme (GEEP).

Source: Adapted from Inam, (2015) and Researcher's Compilation

Appendix 2. Agricultural Credit Guarantee Scheme Fund (ACGSF)

Name	Agricultural Credit Guarantee Scheme Fund (ACGSF)
Fund size	₦3 billion
Date of fund inception	1978
Interest rate	Varies per project
Target market	Farmers
Fund objectives	The purpose of the fund is to provide guarantee for loans granted for agricultural purposes.
Description	<ul style="list-style-type: none"> • The ACGSF was established by Decree No. 20 of 1977 and amended in June 1988. • Initially, the fund size was ₦100m, contributed by the Federal Government (60%) and the Central Bank of Nigeria (40%). • However, in March 2001, the fund was increased to ₦3bn.
Maximum tenor L	The duration of each loan (including the moratorium period, if given) should be relevant to the gestation period of the project.
Strengths	<ul style="list-style-type: none"> • The fund does not require tangible collateral for loans of

L	<p>₦20,000 and under.</p> <ul style="list-style-type: none"> As farmers are the target market, it encourages financial inclusion in rural parts of the country. The CBN provides quarterly updates on the disbursements of the ACGSF.
Weaknesses	<ul style="list-style-type: none"> The fund has been running since 1978 and so far, has been unsuccessful in reviving the agricultural sector. Two Banks (First Bank of Nigeria Limited and Union Bank of Nigeria Plc.) are the major players participating in the scheme. Therefore, should one decide to withdraw participation, the scheme might suffer.

Source: Adapted from Guidelines for the Agricultural Credit Guarantee Scheme, August 2017, by Agusto & Co. Research (2017)

Appendix 3. Small and Medium Enterprises Equity Investment Scheme (SMEEIS)

Name	Small and Medium Enterprises Equity Investment Scheme (SMEEIS)
Fund size	The scheme requires all banks in Nigeria to set aside 10% of their profit after tax (PAT) for investment and promotion of small and medium enterprises.
Date of fund inception	1999
Interest rate	Maximum of 9%

Target market	<p>All legal businesses are covered with the exception of:</p> <ul style="list-style-type: none"> • Financial services and • Trading/Merchandize.
Fund objectives	<ul style="list-style-type: none"> • The fund aims to increase the banking sector's contribution to Federal Government efforts to stimulate growth, develop local technology and generate employment.
Description	<ul style="list-style-type: none"> • Funding shall come in the form of loans, equity investments or both. • After the first five years of the scheme, banks contribution may reduce to 5%. • In 2009, the scheme became optional to banks.
Maximum tenor	<p>Where equity contributions are made, banks may remain equity partners for a minimum of three years.</p>
Strengths	<ul style="list-style-type: none"> • Offers large institutional backing therefore increasing the MSME's chances of success. • Funding varies from asset financing to working capital financing. • Equity investments do not require interest repayments.
Weaknesses	<ul style="list-style-type: none"> • The programme became optional in 2009. Owing to gaps in the definition of MSMEs, deposit money banks were able to reclassify established large corporate as SMEs to qualify for the SMEEIS loans. This led to the overcrowding of the genuine MSMEs from the SMEEIS scheme thus constricting the impact of the scheme on small

	<p>businesses.</p> <ul style="list-style-type: none"> • Interest rates benchmarks like the MPR and yields on FGN debt instruments are quite high. These high benchmarks are the underlying factors behind the high interest rates banks charge borrowers. Several small businesses were not able to benefit from the SMEEIS scheme owing to the high interest rates of bank credit.
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Source: Adapted from Small and Medium Enterprises Equity Investment Scheme (SMEEIS) Revised Guidelines, Agosto & Co. Research (2017).

Appendix 4. CBN's ₦200 billion Refinancing and Rediscounting Scheme (RRF)

Name	CBN's ₦200 billion Refinancing and Rediscounting Scheme (RRF)
Fund size	₦200 billion
Date of fund inception	2002
Interest rate	Eligible projects have a concessionary rate of 2% below minimum rediscounting rate (MRR).
Target market	<ul style="list-style-type: none"> • Agricultural production • Manufacturing • Semi manufacturing • Exploration and exploitation of solid minerals

	<ul style="list-style-type: none"> • Information Technology (IT)
Fund objectives	<ul style="list-style-type: none"> • To encourage medium- and long-term lending in order to expand and diversify the country's production base. • To change the trend where short-term credits to general commerce and trade dominate domestic lending. • To encourage medium- and long-term loans to the real sector for growth and development.
Description	<ul style="list-style-type: none"> • In January 2002, the CBN introduced RRF, a ₦200bn scheme to encourage banks to advance medium to long term loans to the agriculture and manufacturing sectors. • The RRF was discontinued in December 2014 due to low bank participation.
Maximum tenor	Eligible projects have a tenor of five years and over.
Strengths	<ul style="list-style-type: none"> • The RRF scheme opened a window for MSMEs which were being constructed by high interest rates on existing credit to refinance their borrowings. • This refinancing window created new opportunities to use the extra cash flow to fund expansion plans.
Weaknesses	<ul style="list-style-type: none"> • The bank bears all the credit risk, significantly reducing the chances of bank participation. • It was a refinancing scheme and did not accommodate credit requests for green field opportunities and plans.

Source: Adapted from Central Bank of Nigeria, Augusto & Co. Research (2017).

Appendix 5. Agricultural Credit Support Scheme (ACSS)

Name	Agricultural Credit Support Scheme (ACSS)
Fund size	₦50 billion
Date of fund inception	2006
Interest rate	14% interest rate (6% rebate after pay back of facilities on schedule)
Target market	Farmers and agro-allied entrepreneurs
Fund objectives	<ul style="list-style-type: none"> • Extend credit facilities to the agricultural sector at single digit interest rate. • Reduce the cost of agricultural production and increase output.
Description	<ul style="list-style-type: none"> • The Federal Government and the Central Bank of Nigeria, with support from the Bankers' Committee established the ACSS in April 2006. • The purpose of the fund is to lend to farmers at single digit interest rates.

	<ul style="list-style-type: none"> The fund is managed by a Central Implementation Committee (CIC), which has members of key government ministries including the Federal Ministry of Finance, Federal Ministry of Agriculture and the Federal Ministry of Commerce.
Maximum tenor	N/A
Strengths	<ul style="list-style-type: none"> The fund encourages timely payback through the interest rate rebate. The fund allows for substitutes to collateral securities for short-term loans.
Weaknesses	<ul style="list-style-type: none"> The interest rate at 14% defeats the objective of single digit interest rate as the rebate is only available after the business has shown an ability to make timely repayments. Established and large agro-allied businesses have crowded out MSMEs from the ACSS as deposit money banks seek to minimise exposures to agriculture. The high risk ratings and perception of the agricultural sector implies that banks will continue to seek ways of crowding out small hold farmers and other names in the agricultural space perceived as high risk.

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Source: Adapted from Guidelines for the Operation of the Agricultural Credit Support Scheme (ACSS), Agosto & Co. Research (2017)

Appendix 6. Commercial Agricultural Credit Scheme Fund (CACF)

Name	Commercial Agricultural Credit Scheme Fund (CACF)
Fund size	₦200 billion
Date of fund inception	2009
Interest rate	Should not exceed 9% (inclusive of all charges)
Target market	<p>The fund is targeted at the various segments of the value chain namely:</p> <ul style="list-style-type: none"> • Production: <ul style="list-style-type: none"> ○ Cash crops: cotton, oil palm, fruit trees, rubber, sugar cane, jatropha carcus, cocoa. ○ Food crops: rice, wheat, cassava, maize/soya, beans/millet. Tomatoes, vegetables. ○ Poultry: broilers and eggs production. ○ Livestock: meat, dairy, piggery. ○ Aquaculture: fingerlings and catfish. • Processing:

	<ul style="list-style-type: none"> ○ Feed mills development, threshing, pulverisation and other forms of transmutation for value addition. ● Storage: ○ Commodities, agro-chemicals and warehousing. ● Farm input supplies: ○ Fertilizers, seeds/seedlings, breeder stock, feeds, farm equipment and machineries. ● Marketing: ○ Agricultural commodities under the focal investment areas.
Fund objectives	<ul style="list-style-type: none"> ● To accelerate the development of the agricultural sector through the provision of credit facilities to commercial agricultural enterprises at a single digit interest rate. ● To enhance nationwide food security by increasing food supply and lowering product prices to promote low food inflation. ● To enable farmers to exploit the potentials of the agricultural sector by reducing the cost of credit. ● To increase output, generate employment, increase foreign exchange earnings, diversify the revenue base of Nigeria and consistently provide input for Nigeria's industrial sector.
Description	<ul style="list-style-type: none"> ● In October 2010, the Central Bank of Nigeria (CBN) and

	<p>Federal Ministry of Agriculture and Rural Development “FMARD” established the Commercial Agricultural Credit Scheme Fund (CACS) for commercial agricultural enterprises in Nigeria.</p> <ul style="list-style-type: none"> • The fund is set up to complement existing funds such as the ACGS. CACS is financed from the proceeds of a ₦200 billion 3-year bond raised by the Debt Management Office (DMO) and the fund is available to participating banks to finance commercial agricultural enterprises. • CACS defines a commercial enterprise as “any farm or agro-based enterprise with agricultural assets (excluding land) of not less than ₦100 million for an integrated farm, and prospects of growing the assets to ₦250 million within the next three years and ₦50 million for non-integrated farms/agro-enterprise (except in the case of on-lending to farmers’ cooperative societies)”. • All Deposit Money Banks in Nigeria are approved by the CBN as participating banks. • Each state government can borrow up to ₦1 billion to lend to farmers’ cooperative societies. • The CBN revised the CACS guidelines in May 2015 that the CBN and the deposit money banks should share the 9% interest rate in the ratio of 2:7. • In May 2014, the CBN extended the terminal date of the scheme from 30 September 2016 to 30 September 2025.
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Maximum tenor	<ul style="list-style-type: none"> Maximum tenor is based on the gestation period of the enterprise plus three years cash flow allowance and/or working capital facility of one year with provision for roll over.
Strengths	<ul style="list-style-type: none"> Loan tenors are adjusted depending on the business type. In comparison to other funds, CACS is well covered with quarterly information available about the volume and amount of funds disbursed.
Weaknesses	<ul style="list-style-type: none"> The CBN reports slow implementation by State Governments which suggests a flaw in policy design. Weak investments by state governments in rural infrastructure increase structural bottlenecks around farming. This implies that the CACS fund alone will not be able to stimulate growth in the agriculture sector.

Source: Adapted from Guidelines for Commercial Agriculture Credit Scheme (CACS), Agosto & Co. Research (2017)

Appendix 7. CBN's ₦235 billion Small and Medium Enterprises Credit Guarantee Scheme (SMECGS)

Name	CBN's ₦235 billion Small and Medium Enterprises Credit Guarantee Scheme (SMECGS)
Fund size	₦235 billion

Date of fund inception	April 2010
Interest rate	The fund is administered at the prime lending rate of the participating bank.
Target market	<ul style="list-style-type: none"> • Manufacturing. • Agricultural value chain. • Educational institutions
Fund objectives	<ul style="list-style-type: none"> • Accelerating the development of the SME manufacturing segment by providing credit guarantee from banks to SMEs and manufacturers. • Increasing output, generating employment, diversifying the revenue base increasing forex earnings and providing sustainable inputs for the industrial segment. • Increasing access of credit to SMEs and manufacturers.
Description	In 2010, the Central Bank of Nigeria (CBN) sponsored SMECGS, a ₦235 billion funding scheme with the aim of promoting SME access to credit.
Maximum tenor	Loans have a maximum tenor of seven years (including a two year moratorium) and working capital loans have a tenor of one year.
Strengths	<ul style="list-style-type: none"> • The SMECGS gives small businesses a unique long term funding opportunity given that MSMEs are largely considered as a high risk segment which ordinarily would

	<p>not qualify for long term lending.</p> <ul style="list-style-type: none"> • The two-year moratorium gives beneficiaries time to sufficiently invest cash flows ahead of repayment.
Weaknesses	<ul style="list-style-type: none"> • In comparison to other funds, the interest rate on the SMECGS can be considered high because the SMECGS is administered at the prime lending rate of the participating bank. • Despite the altruistic features of the SMECGS, product knowledge is quite weak as survey indicates that only 9% of MSME operators had knowledge of the SMECGS. • The CBN records low stakeholder buy-in to the SMECGS scheme suggesting a nadir by borrowers.

Source: Adapted from Central Bank of Nigeria, Agosto & Co. Research (2017)

Appendix 8. The Nigerian Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)

Name	The Nigerian Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)
Fund size	₦75 billion
Date of fund inception	2011

Interest rate	7%
Target market	<p>All businesses within the Agriculture value chain</p> <p>Borrower risk pool (qualifying terms outlined below):</p> <ul style="list-style-type: none"> • BRP1: Entrepreneurs, farmer groups and agribusiness cooperatives. • BRP2: SMEs (growth companies). • BRP3: Large corporations
Fund objectives	<ul style="list-style-type: none"> • To fix agricultural value chains and provide a platform to reduce the risk of agricultural lending. • To increase financing to Nigerian agribusiness by using credit guarantees to address the risk of default. • To provide technical assistance through capacity building across the agriculture value chains. • To reduce the cost of borrowing. • To provide technical advice to agribusinesses.
Description	<ul style="list-style-type: none"> • The Central Bank of Nigeria (CBN), the Bankers Committee and the Federal Ministry of Agriculture and Rural Development (FMARD) set up NIRSAL to emphasise lending to the agricultural value chain by offering banks incentives to lend. • NIRSAL also guarantees up to 75% of banks' loans to the agriculture sector. • Guarantees cover between 30% - 75% of loan exposure for

	<p>activities related to crop, livestock and aquaculture production, processing and distribution.</p> <ul style="list-style-type: none"> • The NIRSAL Fund is administered by NIRSAL Plc, a non-bank financial institution (NBFI) which is an initiative of the Central Bank of Nigeria (CBN), the Bankers Committee (BC) and the Federal Ministry of Agriculture & Rural Development (FMARD). • Excluding the credit guarantee schemes, NIRSAL also encompasses an interest draw back scheme (IDB) however, the IDB will be provided separately by CBN annually. • CBN plans to have NIRSAL as the primary platform for implementing the apex bank's agriculture related intervention schemes. Therefore, schemes such as the ACGSF will eventually be incorporated into NIRSAL.
Maximum tenor	Varies per project.
Strengths	<ul style="list-style-type: none"> • At 7%, the interest rate of applicable under NIRSAL is much lower than other funds. • The scheme offers technical support to operators which are vital to ensuring the operator's company succeeds. • NIRSAL shares the credit risk with the bank administering loans. • NIRSAL seeks to fill the knowledge gap of banks in the

	agricultural sector by requiring banks to engage experts with degrees in agriculture on the NIRSAL Desks.
Weaknesses	<ul style="list-style-type: none"> • The underlying structural bottlenecks that stymie the agricultural sector such as access to markets, rural infrastructure still remain a daunting challenge that will not be resolved by NIRSAL. • Large agro-allied corporate are crowding out MSMES from the NIRSAL funds like other Agriculture intervention funds

Source: Adapted from NIRSAL Zonal Sensitization Presentation, CBN, Augusto & Co. Research (2017)

Appendix 9. CBN's ₦220 billion Micro, Small and Medium Enterprise Development Fund (MSMEDF)

Name	CBN's ₦220 billion Micro, Small and Medium Enterprise Development Fund (MSMEDF)
Fund size	₦220 billion
Date of fund inception	2013
Interest rate	9% per annum (all charges inclusive)
Target market	Microenterprises:

	<ul style="list-style-type: none"> • Agricultural value chain activities. • Cottage industries. • Artisans. • Services to hotels, schools, restaurants, laundry, etc. • Trade and general commerce <p>Small and medium enterprises</p> <ul style="list-style-type: none"> • Manufacturing. • Agricultural value chain activities. • Educational institutions. • Renewable energy/energy efficient product and technologies
Fund objectives	<ul style="list-style-type: none"> • Providing better access to financial services. • Increasing productivity and output of microenterprises. • Achieving a higher rate of employment in Nigeria. • Enhancing female inclusion in MSME growth
Description	<ul style="list-style-type: none"> • In 2013, the Central Bank of Nigeria launched a ₦220 billion fund- MSMEDF –to assist wholesale funding of microfinance institutions. • The fund aims to increase women’s access to finance by about 15% annually to address gender disparity in entrepreneurship. Therefore, 60% of the fund is reserved for women. • Two per cent of the fund is also aimed at people with disabilities (excluding mental illness).

	<ul style="list-style-type: none"> In 2014, the Lagos State Chamber of Commerce and Industry (LCCI) applied for the loan and was able to access and disburse ₦70bn within a space of three months.
Maximum tenor	Loans have a tenor of one year for micro businesses and up to five years for SMEs with an option of a moratorium.
Strengths	The fund is not limited to the agricultural sector but extends to companies in trade and services.
Weaknesses	<ul style="list-style-type: none"> Banks bear as much as 75% of the risk. A review of the fund in three states namely: Kogi State, Enugu State and Lagos State revealed the following: <ul style="list-style-type: none"> The repayment schedule was not fully understood by beneficiaries. In some cases, interest was charged upfront. Some beneficiaries were subject to excess COT charges by PFIs.

Source: Adapted from Micro, Small and Medium Enterprises Development Fund (MSMEDF) Guidelines, Development Finance Department, CBN and Augusto & Co. Research, (2017)

Appendix 10. Fund for Agricultural Finance in Nigeria (FAFIN)

Name	Fund for Agricultural Finance in Nigeria (FAFIN)
Fund size	\$100 million

Date of fund inception	2014
Means of investing	<ul style="list-style-type: none"> • FAFIN seeks to hold 25%-49% equity in investee companies. • The manager of the fund can exit these investments through public listings, a strategic buyout by another investor or a management buyout.
Target market	<ul style="list-style-type: none"> • SMEs along any agricultural value chain. • Target companies include input providers, producers, processors, logistics and warehouse providers and financial intermediaries that help raise additional capital for agricultural SMEs. • FAFIN is not focused on Greenfield companies but will only consider start-ups when the management team have recorded prior success in running a similar company successfully.
Fund objectives	<ul style="list-style-type: none"> • Generating competitive financial returns by providing additional finance to the sector. • Providing innovative investment solutions to agricultural companies to generate growth. • Generating social and economic impact through the agricultural sector.
Description	<ul style="list-style-type: none"> • FAFIN is an investment fund that provides capital and technical assistance to SMEs in agriculture.

	<ul style="list-style-type: none"> • The fund aims to assist SMEs that have been operating for over three years. • The company should have turnover between \$3 million - \$10 million. • The fund sponsors include the Federal Government of Nigeria (through the Federal Ministry of Agriculture and Rural Development (FMARD)), the Nigeria Sovereign Investment Authority and the German Federal Government (through KfW Development Bank). • On 27 January 2014, FAFIN closed its first fund, with \$34m capital commitment.
Maximum/Minimum Investment	FAFIN can only invest a minimum of \$500,000 or a maximum of 10% of the fund size in a single company.
Strengths	Private equity (PE) investments are usually well monitored with a member of the PE company represented on the Board of the investee company.
Weaknesses	None recognised.

Source: Adapted from FAFIN Nigeria, and Augusto & Co. Research, (2017)

Appendix 11. Real Sector Support Facility (RSSF)

Name	Real Sector Support Facility (RSSF)
Fund size	₦300 billion
Date of fund inception	2014
Interest rate	9%
Target market	<ul style="list-style-type: none"> • Manufacturing <ul style="list-style-type: none"> ○ Producing and processing of tangible goods. ○ Fabricating, deploying plants, machinery or equipment to deliver goods or providing infrastructure to facilitate economic activity in the real sector. • Agriculture. • Services
Fund objectives	<ul style="list-style-type: none"> • To fast-track the development of SMEs in the manufacturing, agricultural value chain and services sub-sectors. • Small and Medium Scale Enterprise (SMEs) are defined as an entities with an asset base (excluding land) of between ₦5 million and ₦500 million and with a labour force between 11 and 300.

	<ul style="list-style-type: none"> • Increase production, generate employment, diversify the revenue base, increase foreign exchange income and provide input for the industrial sector on a sustainable basis.
Description	<ul style="list-style-type: none"> • The CBN introduced the RSSF to unlock the potential of the real sector. • The fund is aimed at start-ups and expansion projects in the manufacturing, agriculture and services sectors. • The CBN and the deposit money banks share the 9% interest rate in the ratio of 3:6.
Maximum tenor	15 years depending on the project.
Strengths	The RSSF provides long term lending to key sectors where MSMEs operate.
Weaknesses	None recognised.

Source: Adapted from ₦300 Billion Real Sector Support Facility (RSSF), Augusto & Co. Research (2017)



Appendix 12. National Collateral Registry (NCR)

Name	National Collateral Registry (NCR)
Fund size	N/A
Fund objectives	To stimulate lending to MSMEs through providing a register of security interests in movable property and realising such interests in the event of a default.
Description	<ul style="list-style-type: none"> • The NCR is a database that stores collateral created by borrowers. • It is a public database of asset ownership which allows borrowers to prove their creditworthiness. • It allows potential lenders to assess their ranking by seniority in potential claims on collateralised assets in cases of credit default by the borrower. • It is provided, maintained and operated by the CBN. • Only securities with adequate descriptions are included. • The NCR is to be launched in partnership with the International Finance Corporation (IFC). • The NCR shall be available at all times except there are maintenance, technical and security constraints. • A security is considered to have “adequate description” if it is described by: <ul style="list-style-type: none"> ○ Item, kind, type or category.

	<ul style="list-style-type: none"> ○ A statement that a security interest is taken by all of the debtor’s present and after-acquired property. ○ A security interest shall continue in the identifiable or traceable proceeds of the collateral, regardless of whether the security agreement contains a description of the proceeds.
Strengths	<ul style="list-style-type: none"> ● The NCR provides a platform for all lenders and borrowers to assess the status of particular collateral. ● The introduction of the bank verification number (BVN) has also provided a means for uniquely identifying each collateral and its owner. ● For lenders, it reduces the chances of incurring losses from non-payment. ● Collaboration with the IFC provides the much needed experience to ensure a smooth take-off of the NCR.
Weaknesses	<ul style="list-style-type: none"> ● Public awareness on the NCR is low. ● The NCR is yet to launch.

Source: Adapted from Collateral Registry Regulations 2014, Augusto & Co. Research (2017).

Appendix 13. Analysis of Fund Performance from Inception to 2015

Name of the Fund	Date of fund inception	Size of the fund (₦)	Interest Rate	Amount Disbursed From Inception to October 2015(₦)	Number of People/P rojects who have accessed the fund from Inceptio n to October 2015	Implementatio n Status as at October 2015
Agricultural Credit Guarantee Scheme Fund (ACGSF)	1978	3 billion	N/A	94.366 billion	990,292	On-going
Small and Medium Enterprises Equity	1999	10% of Bank's Profit after Tax (PAT)- The	Maximum of 9%	N/A	N/A	On-going

Investment Scheme (SMEEIS)		scheme became optional in 2009				
CBN's ₦200 billion Refinancing and Rediscounting Scheme (RRF)	2002	200 billion	Eligible projects have a concessionary rate of 2% below minimum rediscounting rate (MRR).	378.991 billion	604	Inactive
Agricultural Credit Support Scheme (ACSS)	2006	50 billion	14% interest rate, 6% rebate after pay back of facilities on schedule	910.020 million	40	On-going
Commercial Agricultural Credit Scheme Fund (CACS)	2009	200 billion	9%	318.145 billion	399	On-going
CBN's ₦235 billion Small and Medium Enterprises	2010	235 billion	The fund is administered at the prime lending rate of	4.129 billion	87	On-going

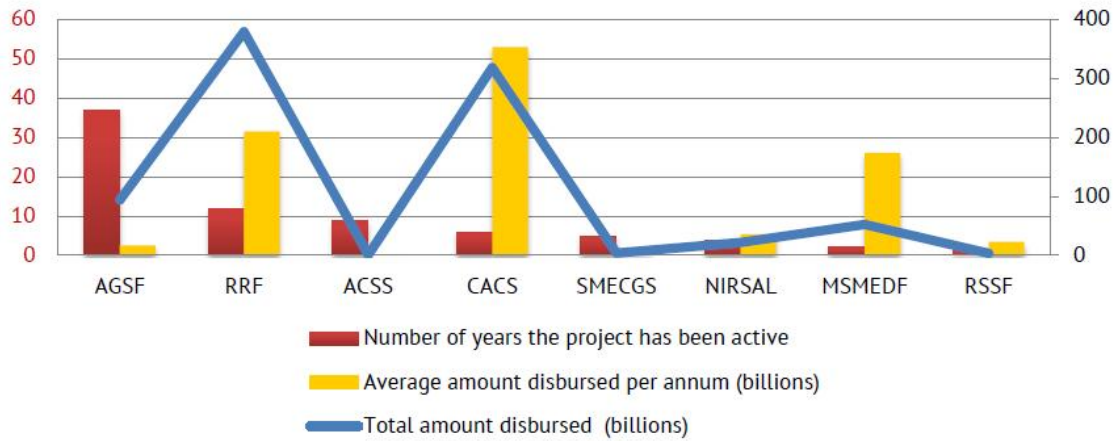
Credit Guarantee Scheme (SMECGS)			the participating bank.			
The Nigerian Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)	2011	75 billion	7%	21.673 billion	247	On-going
CBN's ₦220 billion Micro, Small and Medium Enterprise Development Fund (MSMEDF)	2013	220 billion	9% per annum (all charges inclusive)	51.834 billion-Commercial Component 70 billion-LCCI	N/A	On-going
Fund for Agricultural Finance in Nigeria	2014	On 27 January 2014, FAFIN closed its	FAFIN seeks to hold 25%-49% equity in investee	Yet to commence	-	Pre-launch

(FAFIN)		first fund, with \$34m capital commitment.	companies The manager of the fund can exit these investments through public listings, a strategic buyout by another investor or a management buyout.			
₦300 Billion Real Sector Support Facility (RSSF)	2014	300 billion	9%	3.5 billion	1	On-going

Source: Central Bank of Nigeria: Development Finance Department (DFD) - Report of the Activities of the Business Unit October 2015 and Augusto & Co. Research (2017)

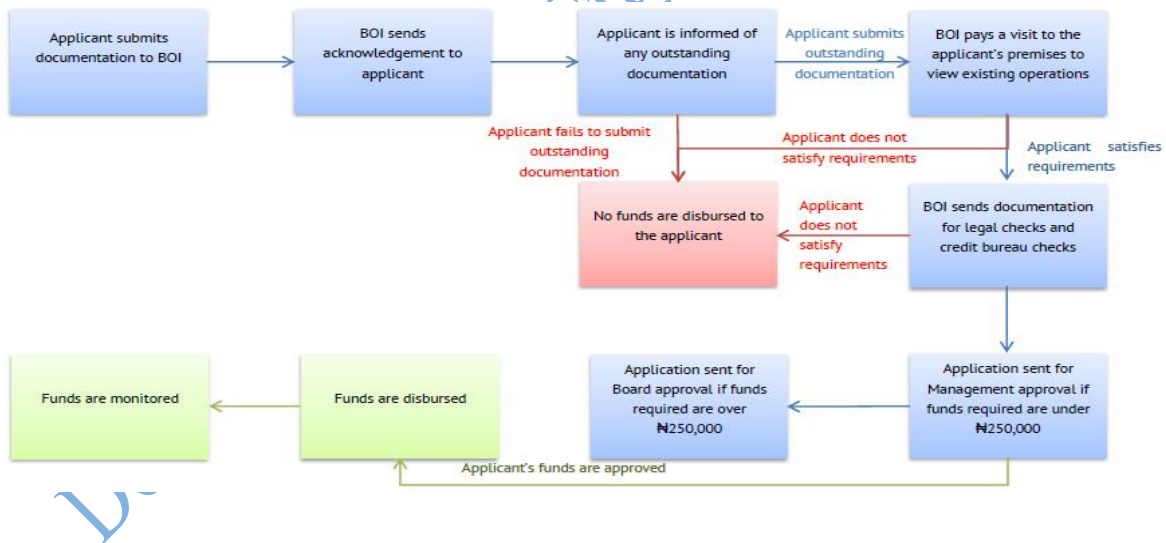
Appendix 14.

Average Amount Disbursed Per Annum (Inception to October 2015)



Source: Adapted from Agosto & Co. Research (2017).

Appendix 15 – Approval Process for Bank of the Industry Funds/Products



Source: Bottom of the Pyramid, Bank of Industry.

Appendix 16. Profile of BOI Funds and Products.

S/N	NAME	DESCRIPTION/ PURPOSE	FUND SIZE	INTEREST RATE (PER ANNUM)	MAXIMUM TENOR	TARGET MARKET
1.	National Automotive Council (NAC) Fund	The fund was launched in 2003 to create employment, develop MSMEs in the production of automotive parts, develop the skills & build on the knowledge of such companies.	₦16.91bn	Long term loan: 7.5% Working capital loan 10%	Long term loan: 5 years Working capital loan: 3 years (Maximum of 12 months moratorium)	Limited liability companies and enterprises engaged in the assembly of automobile s, automotive component manufactur ers, automotive workshop and car service centres.

2.	Sugar Development Council Fund	In November 2009, BOI and the National Sugar Development Council signed an MOU. The Fund was set up to support the sugar value chain through local inclusion and to reduce Nigeria's dependence on imported refined sugar.	N/A	Long term loan: 5% Working capital loan: 7%	10 years (including 3 years' moratorium)	Limited liability companies and enterprises in the sugar value chain
3.	National Programme for Food Security (NPFS)	In December 2009 the Federal Ministry of Agriculture and Rural Development (through the National Programme on Food Security (NPFS)) and BOI implemented the NPFS Fund. The fund was established to aid in factory construction, supply/installation of small-scale equipment for processing groundnut, oil	N800m	8%	7years	Agro-allied processors and farmers

		palm, rice, fish, meat and cereals.				
4.	CBN Intervention Fund	The Fund was established in April 2010 to aid the development of the manufacturing sector of the Nigerian economy by improving access to credit.	₦235bn	7%	15years	Nigerian SMEs
5.	Dangote Fund	In March 2011, in partnership with BOI, the Dangote Group initiated an MSME fund for job creation.	₦10bn	5%	Dependent on the company's cash flow	Nigerian SMEs in sub-sectors such as Agro-industries, solid minerals and polymer based industries
6.	FGN Special Intervention	In 2014, the Federal Government of Nigeria developed an initiative to	₦5bn	9%	Dependent on the company's	Registered limited liability

	Fund for MSMEs (NEDEP)	subsidise loans to SMEs. The fund can be accessed through SMEDAN by applicants under the National Enterprise Development Programme (NEDEP) Scheme.			cash flow (maximum of 12 months moratorium)	companies, enterprises and cooperatives in Nigeria
7.	Cottage Agro Processing (CAP) Fund	The fund was launched in September 2014, to support cottage agro processing plants in Nigeria that will produce food products and raw materials for industries within and outside the staple crop processing zone (SCPZ).	₦5bn	9%	5 years (maximum 6 months moratorium)	Limited liability companies, enterprises and cooperatives that process agricultural products or raw materials
8.	Rice & Cassava Intervention Fund	The Federal Ministry of Agriculture and Rural Development (FMARD) and the BOI signed an MOU in October 2014 for	₦13.6bn	5%	10 years including a one year moratorium	Limited liability companies and companies

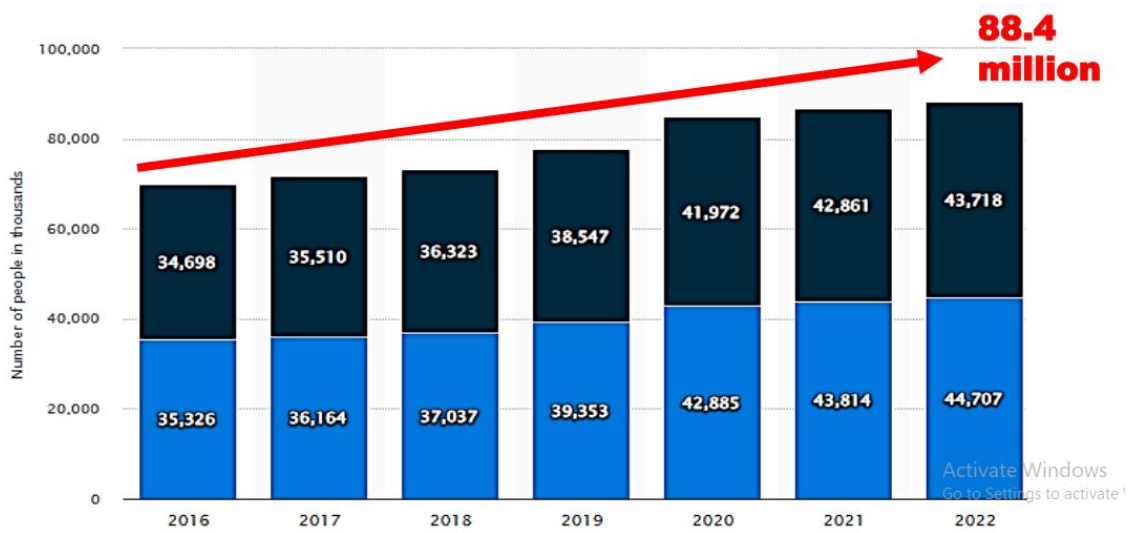
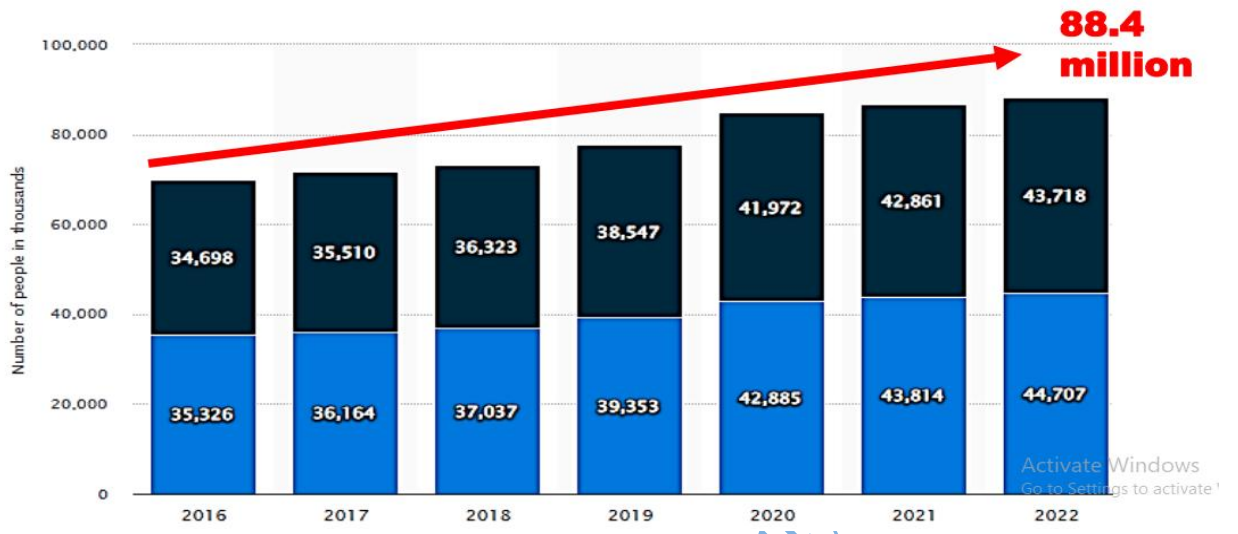
		the establishment of 10 medium scale rice mills of about 36,000mts of paddy per annum and six cassava flour mills of about 18,000mts of cassava tubers per annum. The mills are expected to be in Kano, Kogi, Kebbi, Zamfara, Bayelsa, Bauchi, Benue, Ogun and Anambra states.				engaged in value creation in the rice/cassava sub sector through setting up milling facilities
9.	Nolly Fund	BOI launched the Nolly Fund in April 2015. In support of the creative arts industry. The fund aims to increase job creation directly and indirectly.	₦1bn	10%	1 year at the end of a moratorium of six months	Companies engaged in the entire value chain from pre film production to post film production
10.	Fashion Fund	In August 2015, BOI launched the Fashion Fund for female	₦1bn	9% (Maximum of 12	3 years	Female Entrepreneurs

		entrepreneurs. The fund is in line with BOI's aim to boost the creative arts industry		months moratorium)		(Women must have majority shareholding)
11.	Graduate Entrepreneurship Fund	The fund was launched in October 2015 by BOI and National Youth Service Corps (NYSC) to empower youths and address the problem of graduate unemployment.	₦2bn	9% (6 months moratorium)	5 years	NYSC Corpers
12.	Youth Entrepreneurship Support Programme (YES-P)	The programme was developed in 2016 to provide funding to aspiring entrepreneurs aged 18 - 35 years with a minimum educational qualification of Ordinary National Diploma.	N10.0 billion	Interest Rate: 9% per annum. Fees: 1% Processing fee.	3 – 5 years. Six (6) months from date of Loan Disbursement.	(i) Young Nigerian entrepreneurs of ages 18 – 35 years. (ii). National Youth Service Corps (NYSC) members.

13	Youth Ignite Programme	The Youth Ignite Programme was introduced in 2017, in partnership with Afterschool Graduate Development Centre (AGDC), to cater for youth-led businesses at the micro level. The programme is designed to provide capacity building and funding up to ₦200,000 to micro enterprises. BOI plans to support 1 million micro entrepreneurs create 5 million jobs by 2022	N10.0 Billion in the first phase	Interest Rate to MFB: 5% per annum. Interest Rate to Ultimate Beneficiaries: 8% per annum. Fees: 1% Processing fee.	21 months inclusive of 3 months moratorium on principal repayment.	Young Nigerian aspiring entrepreneurs above the age of 18, who have participated in the Entrepreneurship Capacity Building Programme (as stipulated in the Training Programme Framework).
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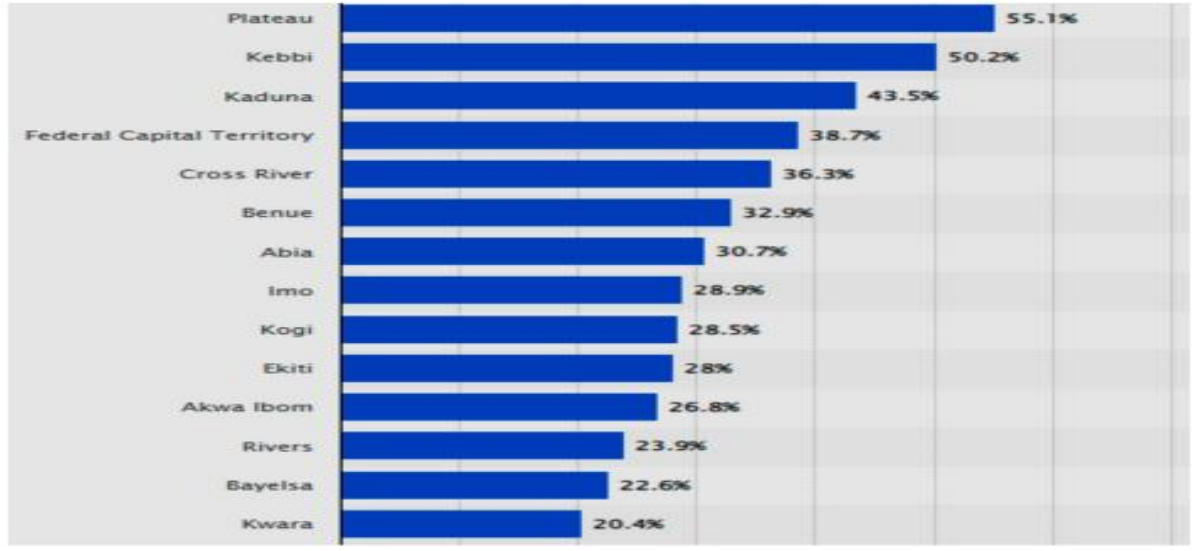
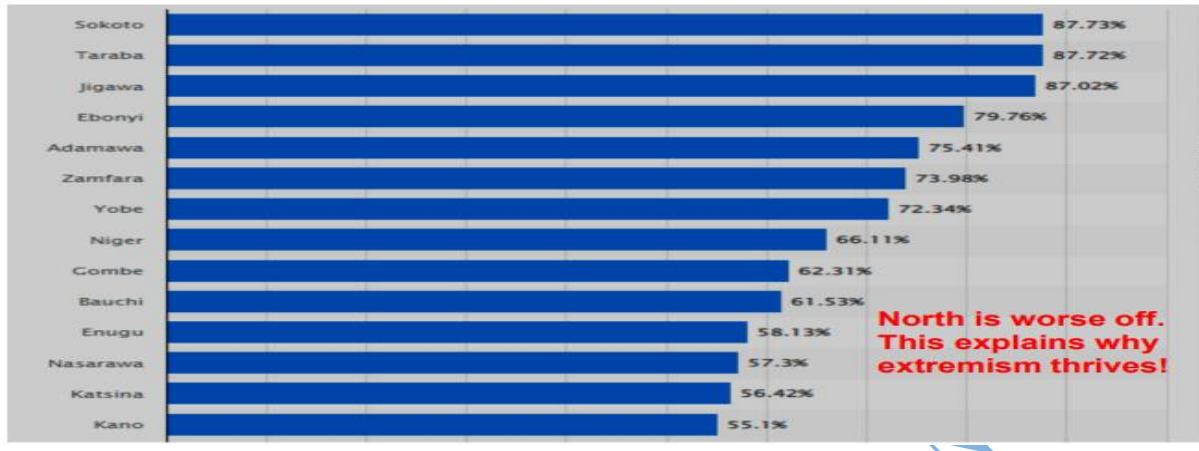
Source: Researcher's compilation.

Appendix 17 Extreme Poverty in Nigeria (2016 to 2022)



Source: Statista (2022)

Appendix 18 Poverty Headcount by States in Nigeria (2022)



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Appendix 19

Pseudo R-Square

Cox and Snell	.077
Nagelkerke	.078
McFadden	.018

Link function: Logit.

Test of Parallel Lines^a

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	218.498			
General	213.333 ^b	5.165 ^c	33	1.000

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.

a. Link function: Logit.

b. The log-likelihood value cannot be further increased after maximum number of step-halving.

c. The Chi-Square statistic is computed based on the log-likelihood value of the last iteration of the general model. Validity of the test is uncertain

Appendix 20

Pilot study

Case Processing Summary

		N	%
Cases	Valid	24	100
	Total	24	100.0

Source: SPSS Regression Analysis Results, 2022

Reliability Statistics

Cronbach's Alpha	N of Items
.783	27

Source: SPSS Regression Analysis Results, 2022

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Questionnaire

Dear Participant,

I am currently enrolled in a Ph.D. Programme at Lead City University, Ibadan, where I am working on my thesis titled Micro, Small, and Medium Enterprises Financing, and Poverty Level in North-Central Nigeria.

I'm writing to ask you to participate in this research study. The questionnaire that comes with it is designed to collect information about the subject. This is purely a voluntary exercise. You can either reject or leave any questions blank if you don't want to answer them. Your answers will be kept private and anonymous. The results of this study will be kept under lock and key and only reported as a cumulative total. Only the researchers will be aware of your specific responses to this questionnaire. If you agree to participate in this exercise, please complete the questionnaire to the best of your ability. It should take you about fifteen minutes to finish.

Please feel free to contact the Researcher, if you have any queries regarding this research. Thank you for your help with this important project.

Yours faithfully,

Sunday Ade Bello

Section A

Social Demographic Characteristics of the Respondents

(Please tick () the right box in the options below

1. Gender: A. Male [] B. Female []
2. Age: A. 18-30 [] B. 31-43 [] C. 44-56 [] D. 57 and above []
3. Level of Education: A. Primary [] B. ND/HND [] C. BSc [] C. MSc []
4. Marital status: A. Single [] B. Married [] C. Divorce []
5. Type of Enterprise: A. Micro [] B. Small [] C. Medium []
6. How did you raise money to develop your business?
 - a. Personal Savings []
 - b. Family Support []
 - c. Loan from Cooperative Society []
 - d. Loan from BOI []
7. If you applied and tried to negotiate for a bank loan over the last 12 months, what was the outcome?

- a. Applied but refused because cost too high []
- b. Applied but was rejected []
- c. Applied and got everything []
- d. Applied but only got part of it []

8. What is your firm's main activity?

- a. Manufacturing []
- b. Accommodation and Food Services activities []
- c. Fashion, Beauty and Personal Care Industry []
- d. Agriculture []

9. Do you believe there is poverty in your state?

A. Yes [] B. No [] C. I don't know

10. Are you involved in the Youth Ignite Programme under the Bank of Industry?

A. Yes [] B. No [] C. I don't know []

11. Over the last three years, how much did your firm grow on average per year?

- a. Over 20% per year
- b. Less than 20% per year
- c. Not applicable, the firm is less than 3 years old

d. No growth

e. Got smaller

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Section B (Please tick the option that apply)

SA - Strongly Agree; A – Agree; D – Disagree; SD – Strongly Disagree; N –

Neutral

S/N	Research Questions	SA	A	D	SD	N
	Poverty level					
12	Poverty is a serious problem peculiar to North-Central Nigeria					
13	Empowering MSMEs can help to alleviate poverty in North-Central Nigeria					
14	Many MSMEs in the North-Central Nigeria are collapsing due to capital and financing					
	MSMEs access to credit services					
15	Access to credit services has greatly influence positively the number of MSMEs operators in North-Central Nigeria.					
16	Provision of cheap and affordable credit services to the MSMEs enhance their accessibility to fund and increases their income level thereby reduce the level of poverty.					
	MSMEs turnover					
17	Access to and availability of funding is one of the elements influencing the turnover of MSMEs operators in North-Central Nigeria					

	MSMEs profitability					
18	In North-Central Nigeria, MSMEs' profitability levels are affected by a lack of capital and government support					
19	Access to credit services has greatly influence positively the profits of Business owners in North-Central Nigeria					
	MSMEs employment creation					
20	Increased in the numbers of MSMEs owners has positively affected the number of people that are gainfully employed in North-Central Nigeria					
21	Due to the availability of credit facilities for MSMEs owners in North-Central Nigeria, more women are gainfully employed					
22	Expansion of MSMEs can increase employment opportunities due to financing and funding					
	BOI Business Support Services					
23	Aside from financial support, the Bank of Industry technical supports in the form of workshops and training have helped to boost the technical know-how of MSMEs owners on investment in profitable ventures					
24	Bank of Industry intervention fund has assisted to					

	boost agricultural activities in North-Central Nigeria					
25	Bank of Industry's Business Fund for Women has greatly assisted in increasing the number of women entrepreneurs through the provision of soft loans.					
26	The Bank of Industry has reduced unemployment in North-Central Nigeria through the Graduate Entrepreneurship Fund.					
27	Increased in the number of MSMEs have assisted in improving the standard of living of people in North-Central Nigeria					

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Biodata

A. Personal Data

Full Name: Sunday Ade BELLO
Address: 1, Atundaolu Street, Ogba, Lagos
E-mail: adetunbowale@gmail.com
Phone No: +2348023520943
Date of Birth: 20th March 1977
Place of Birth: Lagos Island Local Government, Lagos
Nationality: Nigerian
Name of Next of Kin: Yemisi Adetunbo-Bello
1, Atundaolu Street, Ogba, Lagos

B. Educational Background

Educational Institutions Attended with Dates and Qualifications

- Roxbourg Institute of Social Entrepreneurship (RISE), La Sarraz, Switzerland – Professional Doctorate Degree in Social Entrepreneurship - 2022 -2024
- Lead City University, Ibadan – Doctor of Philosophy (PhD) in Finance - 2021 -2022
- Covenant University, Ota – Master of Philosophy (MPhil/PhD) in Finance - 2016-2020
- University of Lagos, Akoka, Lagos – Master of Science, Finance - 2006 – 2007
- Lagos State University, Ojo - Bachelor of Science, Banking & Finance - 1998-2004

C. Working Experience with Dates

- Principal Consultant/CEO, WorkLife Training Professionals. 2019 – Date

- Registrar, International Vocational, Technical and Entrepreneurship College. 2017 - 2019
- Head, Management Education and Control Department, Nigerian Institute of Management (Chartered). 2014 – 2017
- Senior Manager, Exams and Records, Management Education and Control Department, Nigerian Institute of Management (Chartered). 2010 – 2013
- Manager, Exams and Records, Management Education and Control Department, Nigerian Institute of Management (Chartered). 2009 – 2009
- Assistant Manager, Admission and Exams, Nigerian Institute of Management (Chartered). 2007 – 2008
- Administrative Officer, Nigerian Institute of Management (Chartered). 2003-2006
- Supervisor, Student Affairs, Nigerian Institute of Management (Chartered). 1999-2002
- Personnel and General Administration Officer, Nigerian Institute of Management (Chartered). 1996-1998

D. Membership of Academic and Professional Bodies

- Member, Nigerian Institute of Management (Chartered)
- Fellow, Institute of Classic Entrepreneurship of Nigeria
- Fellow, Institute of Business Administration and Knowledge Management
- Fellow, African Council for Small Business and Entrepreneurship
- Fellow, Certified Global Entrepreneurship Professional
- Fellow, Academy of Technology Innovation Management and Entrepreneurship

E. Publications

Learned Journals

- Oyedokun, G. E., & **Bello, A. S.** (2020). Crowdfunding and Micro, Small and Medium Enterprises Growth in Nigeria: A Review of Literature. *LASU Journal of Accounting and Finance*, 5(1), 91-97.
- **Bello, A. S.**, Oyedokun, G. E., & Adeolu-Akande, M. (2021). Financial Inclusion and Gender-Induced Poverty in Nigeria. *International Journal of Research in Business and Social Science*, 10(8), 2147-4478.
- **Bello, A. S.** (2022). Bank of Industry, Micro, Small and Medium Enterprises Financing and Poverty Reduction in North-Central Nigeria. *Journal of Global Economics and Business*, 3(8), 1-18.
- Ogbuji, I. A., Onwuemele, E. S., & **Bello, A. S.** (2022). The Growth Impact of SMES Financing by Deposit Money Banks in Nigeria. *Unilag Journal of Business*, 8 (1) 136-145.

F. Board Positions

- Governing Council Member, Edusoko University, Bida, Niger State – 2022
- Editorial Board Member, *Eurasian Journal of Business and Economics* – 2020
- Editorial Board Member, *Global Journal of Economics and Business* – 2020
- Governing Council Member, Institute of Classic Entrepreneurs of Nigeria -2017 – Date
- Governing Council Member, African Council for Small Business and Entrepreneurship -2017 –Date

- Governing Council Member, The Global Academy of Entrepreneurship and Innovation -2017 –Date
- Governing Council Member, Academy of Technology Innovation Management & Entrepreneurship -2017 Date
- Governing Council Member, International Vocational, Technical and Entrepreneurship College -2017 –2019
- Member, NIM Management Education and Development Committee – 2014- 2017
- Member, Nigerian Institute of Management (Chartered), Board of Examiners – 2009 – 2017
- Member, Nigerian Institute of Management (Chartered), Board of Trustees – 2004 – 2017



Signature

5/10/2022

Date

The University Compliance Certification

This is to certify that this thesis written by **Sunday Ade BELLO** with matriculation number **LCU/PG/002428** in the Department of Management and Accounting, Faculty of Management and Social Sciences, Lead City University, Ibadan, Oyo state, Nigeria is in full compliance with the approved University Format and Style.

Signature

Date

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