Journal of Economics and Sustainable Development www.iiste.org
ISSN 2222-1700 (Paper) ISSN 2222-2855 (Online)
Vol.6, No.18, 2015

Impact of Microfinance Banks Activities on Poverty Alleviation in Nigeria

I.G. Okafor
Department of Banking and Finance, Caritas University, Enugu, Nigeria

Abstract
The fight against extreme poverty has been on the front burner of global discourse for a very long time. Poverty is deemed as a state of deprivation but more specifically, where an individual or group has insufficient income for securing basic goods and services. Microfinance has been globally acknowledged as a vehicle that drives the poor out of extreme poverty zone. This study set out to examine the impact of microfinance banks activities on poverty alleviation in Nigeria. Annualized time series data for 20 years, covering the period 1993-2012, were collated from the Central Bank of Nigeria (CBN) and National Bureau of Statistics (NBS). Poverty Index (PI) was the dependent variable while microfinance banks activities was adopted as independent variable. Also, liquid liability (M_2), Interest Rate (IR) and Federal Government Capital expenditure were the controlled variables. Multiple linear regression model was adopted for the test of the hypothesis. The result showed that microfinance banks activities do not have a significant positive impact on poverty alleviation in Nigeria. This portends that the operation of the microfinance banks activities in Nigeria need a review. It is fairly flawed. There is the need for the relevant authorities to go back to the drawing board. Recommendations offered included; the establishment of core microfinance banks and not micro-money deposit banks masquerading as microfinance banks; the establishment of microfinance banks in rural and semi-urban rather than urban areas; and the establishment of women-friendly microfinance banks in Nigeria. Further study on this subject is highly encouraged.
Keywords: Microcredit, Microfinance, Poverty Alleviation.

1. Introduction

Poverty has dealt debilitating blows on human race. It is found in both developed and developing countries of the world. However, it is more concentrated on developing countries. Poverty is the absence of the needed wherewithal to achieve a desired goal. It is a lack. Poverty can be absolute or relative. Both absolute and relative poverty can be denominated on currency. Absolute poverty is the inability to earn at least one US dollar per day, while relative poverty is the inability to earn up to 1/3 of the average income per capita in a jurisdiction. Absolute poverty can hardly be eradicated but can only be alleviated (Rubana 2008, Lalitha 2008). Poverty has attracted global concern. The United Nations (UN) World Summit in 1997 set up seven millennium development goals (MDGs) to be achieved by 2015. Poverty alleviation took the first position of the goals. It was targeted that the population of the world absolute poor should be reduced by half by 2015 according to Department for International Development (DFID, 2000).

Relying on the revolution that was going on in the Global East, especially in Bangladesh where the lives of many poor people had been transformed by Grameen Bank, microfinance was identified as a latent weapon to fight poverty (Daily-Haris 2002, Pharm and Lensink 2008). Realizing that the poor lacks capacity but not initiative, microfinance provides this capacity which transforms the poor out of poverty. Microfinance is the provision of micro-financial services to the poor which enable them migrate from poverty. The microfinance services could be credit, savings, insurance or even leasing. The success of microfinance in the fight against poverty has gained it the attraction of many countries and development agencies. Nigeria is not to lose out of this. In 2005, the Central Bank of Nigeria (CBN) keyed into the microfinance revolution and came up with the Microfinance Banks Policy.

This study set out to examine the effects of the activities of these microfinance banks and to specifically examine their impact on poverty alleviation in Nigeria. The null hypothesis tested was that: microfinance banks activities do not have a significant positive impact on poverty alleviation in Nigeria. Section one is the introduction while section two reviews the related literature. The data presentation and analysis are in sections three and four, while section five contains the conclusion and recommendations.

2. Review of Related Literature

This review will throw up two key words: microcredit and microfinance. It will trace the origin of the two and expose the conceptional differences between the two. These will be handled under theoretical and empirical review.

Various meanings have been attached to microcredit and microfinance depending on the targeted approach of the people defining. This leads Okafor (2000) in saying that despite the surfeit of literature on microcredit, a clear cut conceptionalization of the team does not seem to have emerged. One obvious conclusion from the available literature, however, is that the term (microcredit) is always used in reference to credit of limited size. The size limitation could apply to the size of credit dispensed or to the size of operation of the credit recipient or to both. To Grameen Bank of Bangladesh, microcredit symbolizes small loans extended to the poor to enable them undertake self-employment projects that could generate income and enable them to provide for themselves and their families (Chavan and Ramakumar 2002).

In all, the Microcredit Summit (2-4 February 1997) adopted the definition of microcredit as programmes that extend small loans to very poor people for self-employment projects that generate income, allowing them to care for themselves and their families (Grameen Bank 1997).

Beaudry (no date) holds that over the last decade, a growing recognition of the importance of and need for additional financial services beyond loans (that is microcredit alone) has expanded the initial concept of microcredit to microfinance. According to her, the Consultative Group to Assist the Poor (CGAP) defines microfinance as an inclusive financial system whereby poor people everywhere enjoy permanent access to a wide range of quality financial services delivered by different type of financial institutions through a variety of covenant mechanisms. The services offered through microfinance programmes include loans, savings, money transfer services (remittances) and micro-insurance.

Microfinance is a lift above microcredit. It provides a mini-supermarket of micro-financial services for the poor. These include microcredit, micro-savings, micro-leasing, micro-insurance, money transfers and micro-investment services. Microcredit is thus a sub-set of microfinance.

Microcredit appears to be of old, though not sustained. According to Abiola and Salami (2011), Jonathan Swift first introduced microcredit in the 18th century by establishing the Irish loan fund system which provided small loans to the poor farmers that lacked collaterals. Yahaya, Osemena and Abdulraheem (2011), agree that microcredit is of old. They opine that in 1800s, Credit Union was developed by Friedrich Wilhelm Raiffeisen and his supporters to assist the rural population to break out of their dependence on money lenders and to improve their welfare.

However, Bondreaux and Cowen (2008) are of the opinion that the modern story of microcredit began in 1976 when Yunus – then an economics professor at Chittagong University in South-Eastern Bangladesh – set out to apply his theories to improving the lives of the poor in the nearby village of Jobra. Yunus began by lending twenty seven US dollars to a group of 42 villagers who used the money to develop informal businesses such as soap making and weaving of baskets to sell at the local market.

The rise of microfinance practice, according to Ehigiamusoe (2008) was prompted by apparent failure of conventional development paradigms and approaches to achieve meaningful development which is poverty alleviation. Growth-led development perspective, which gained currency in the 1950s and 1960s with its resurgence in last two decades, has always yielded fantastic statistics with discouraging impact on the lives of the people. While growth rates were rising, the number of persons in poverty was also on the increase. Microfinance, therefore, seeks to provide low-income people with capital for income generating activities.

Ehigiamusoe (2008) states that modern microfinance in Nigeria began as visionaries work indicated by non-profit institutions to address poverty. In Akure, Chief BisiOgunleye started a pro-women initiative – Country Women Association of Nigeria (COWAN), while Venerable David Ogbonna ran the Nsukka United Self-Help Organisation (NUSHO) in the early 1980s. Lift Above Poverty Organisation (LAPO) began microfinance programmes in 1980s. Early funding for these institutions was provided by the Ford Foundation. Yahaya et al (2011) postulate that the concept of microfinance is not new. They cite as in Archive (2006) savings and credit groups that have operated for centuries to include: "susu" of Ghana, "chitfunds" of India, "tandas" of Mexico, "Ayo" of Nigeria, among others. Over the years, several traditional microcredit institutions, such as self-help groups (SHGs) "esusu" and rotating savings and credit associations (ROSCAS) have been set up to provide credit to both urban and rural dwellers in various parts of Nigeria. Earlier micro-credit schemes were unsuccessful because customers interpreted the loans as government handouts and disinclined to pay them back (Abiola &Salami 2011). A paradigm shift in microcredit service delivery and concept has given birth to microfinance revolution as a developmental initiative.

There is a surfeit of arguments for and against whether microfinance really alleviates poverty. Some researchers are totally against using microfinance as a tool for poverty alleviation due to not very successful results of the existing Non-Govermental Organisations (NGOs) and other Microfinance Institutions (MFIs) (Jayanardena, 2001 & Coleman, 2001). Some others argue that the poor are left out due to corruption, lack of awareness and planning (Kuramarialieva et al; 2003, Bajwa, 2002 & Ibrahim et al; 1994). Albee (1996) is even of the opinion that rather than microfinance empowering the poor, it creates debt trap for them.

But Zeller and Sharma (1998) argue that microfinance can help to establish or expand enterprises, potentially making the difference between grinding poverty and economically secure life. Following the study in Bangladesh, Khander (2005) confirms that microfinance programmes have sustained impact in reducing poverty among the participants, especially for the female participants and a positive spillover effect at the village level.

One of the major objectives for the establishment of microfinance banks in Nigeria was the reduction of poverty in the land. This study will show to what extent this objective has been achieved.

3. Research Methodology

Ex-post-facto design was adopted in this study. Annualized data for twenty years, 1993-2012 were sourced from the Central Bank of Nigeria (CBN) and the National Bureau of Statistics (NBS). Multiple linear regression model was adopted to test the hypothesis. Dependent, independent and controlled variables were applied. The model was thus:

$$PI = \beta_0 + \beta_1 RTD\_TC + \beta_2 RLL\_GDP + \beta_3 IR + \beta_4 RGE\_GDP + \varepsilon_t$$

Where:

PI	=	Poverty Index
RTD_TC	=	Ratio of Total Deposit to Total Credit.
RLL_GDP	=	Ratio of Liquid Liabilities to GDP.
IR	=	Interest Rate
RGE_GDP	=	Ratio of Government Capital Expenditure to GDP.
β_0	=	Constant of the Regression
$\beta_{1,}$	=	Coefficient of the Explanatory Variable
ε_t	=	Random Error Term

3.2 Explanation of the Research Variables

3.2.1 Dependent Variables

Poverty Index (PI) Poverty has multi-dimensional nature as well as dynamic nature. According to Bello and Rosian (2010), there is no single definition of poverty. It is defined according to individual's perception working at different circumstances. The poverty index used in this study draws from the National Bureau of Statistics (NBS) and the Central Bank of Nigeria (CBN). The NBS provided 24 proxies that are responsible for poverty in Nigeria.

3.2.2 Independent Variables

Microfinance Banks Activities (RTD_TC): The major microfinance banks activities are mobilization of deposits and granting of credit. The Regulatory and Supervisory Framework for Microfinance Banks in Nigeria (2005)(2) describes microfinance credit as a facility granted to an individual or a group of borrowers whose principal source of income is derived from business activities involving production or sale of goods and services. Generally, a microfinance credit is granted to the operators of the micro-enterprises, such as peasant farmers, artisans, fishermen, women, senior citizens and non-salaried workers in the formal and informal sectors. The credits are usually unsecured but typically granted on the basis of applicant's character.

3.2.3 Controlled Variables

Onwumere (2009) sees controlled variables as those variables whose impacts must be controlled or neutralized in order to limit their influence on both the dependent and independent variables that are under study. Deducing from the foregoing fact, this study deemed it necessary to control the following variables:

3.2.3.1 M_2 (RLL-GDP).

In accordance with the CBN Statistical Bulletin (2011), M_2comprises M_1 plus quasi money; where M_1encompasses currency outside banks, plus demand deposits and quasi money equal time, savings, and foreign currency deposits of commercial banks and merchant banks and other private sector deposits at merchant banks. The status of M_2 has direct bearing on microfinance banks activities. An increase in M_2 will lead to an increase in the volume of microfinance deposit and more available fund for credit.

3.2.3.2 Interest Rate (IR).

The interest rate controlled is the lending rate. The CBN prime rate is adopted and not the commercial/merchant bank rates. Fluctuations in the CBN prime rate will affect microfinance banks activities. The lowering of the prime rate with corresponding lower lending rate by the microfinance banks will lead to higher turnover of microfinance banks credit and vice versa.

3.2.3.3 Federal Government Capital Expenditure (RGE_GDP).

Federal Government Expenditure falls under two main headings: Recurrent Expenditure and Capital Expenditure. Recurrent expenditure involves expenditure on items that do not go beyond a fiscal year, such as personnel costs. On the other hand, Capital expenditure involves expenditure whose benefits go beyond a fiscal year such as expenditure on roads, schools, hospitals, etc. Expenditure on this heading involves large amount of money. This will increase the amount of money in circulation some of which will find their way into the microfinance banks deposit. In turn, more credit will be granted by the microfinance banks.

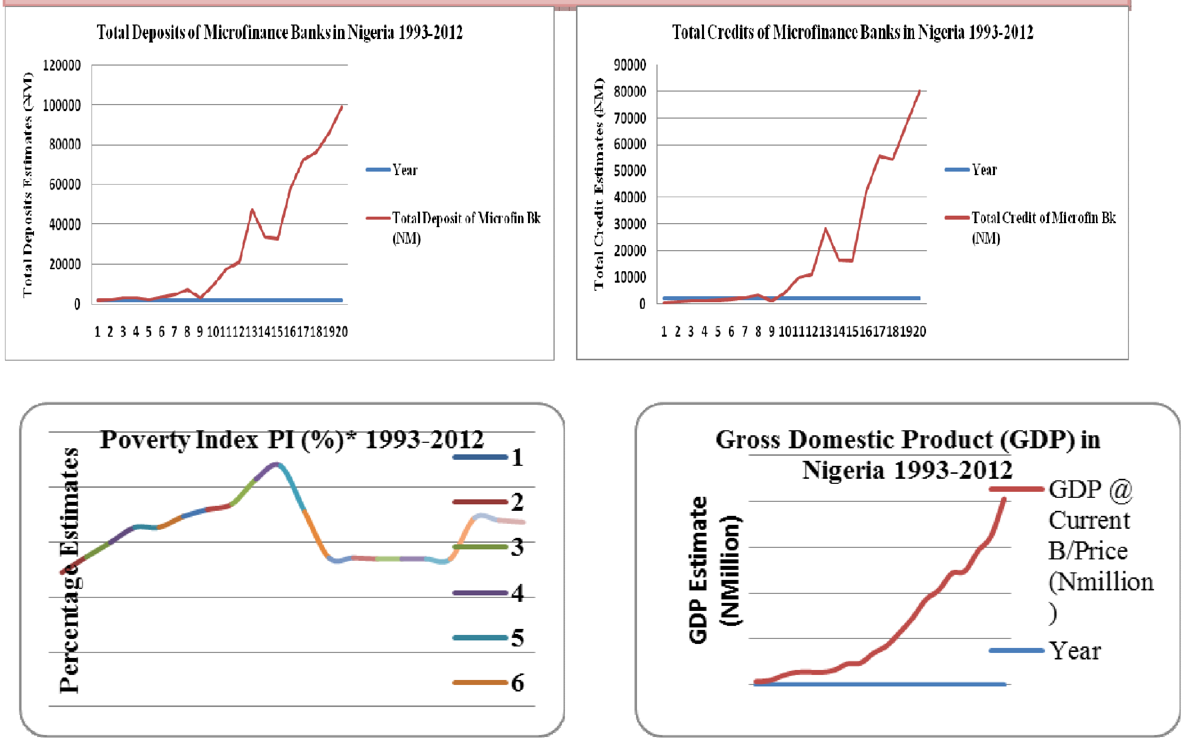
4.0 Data Presentation and Analysis

4.1 Data Presentation

The data used in this study were decomposed into: main variables data, controlled variables data and transformed data. Main variables comprised total deposits of microfinance banks and their total credit, poverty index, and Gross Domestic Product (GDP).The controlled variables were with respect to money supply component (M_2), interest rates, and Federal Government Capital expenditure. The transformed variables were microfinance banks activities measured by the ratio of total deposits of microfinance banks in Nigeria to their total credits; liquid liability which is the ratio ofM_2 to Gross Domestic Product (GDP) and the ratio of Federal Government Expenditure to GDP respectively.

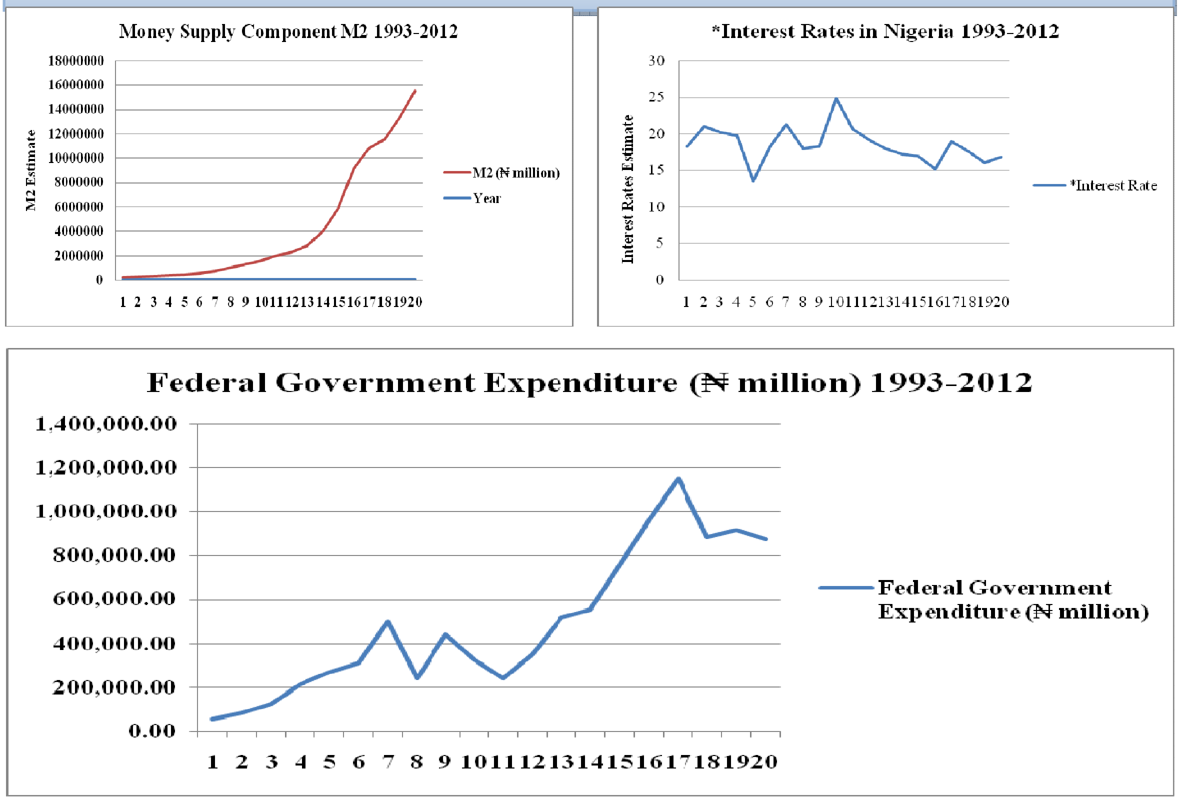
Graphically, the data were presented below;

Fig. 4.1 Graphical Presentation of the Main Research Variables



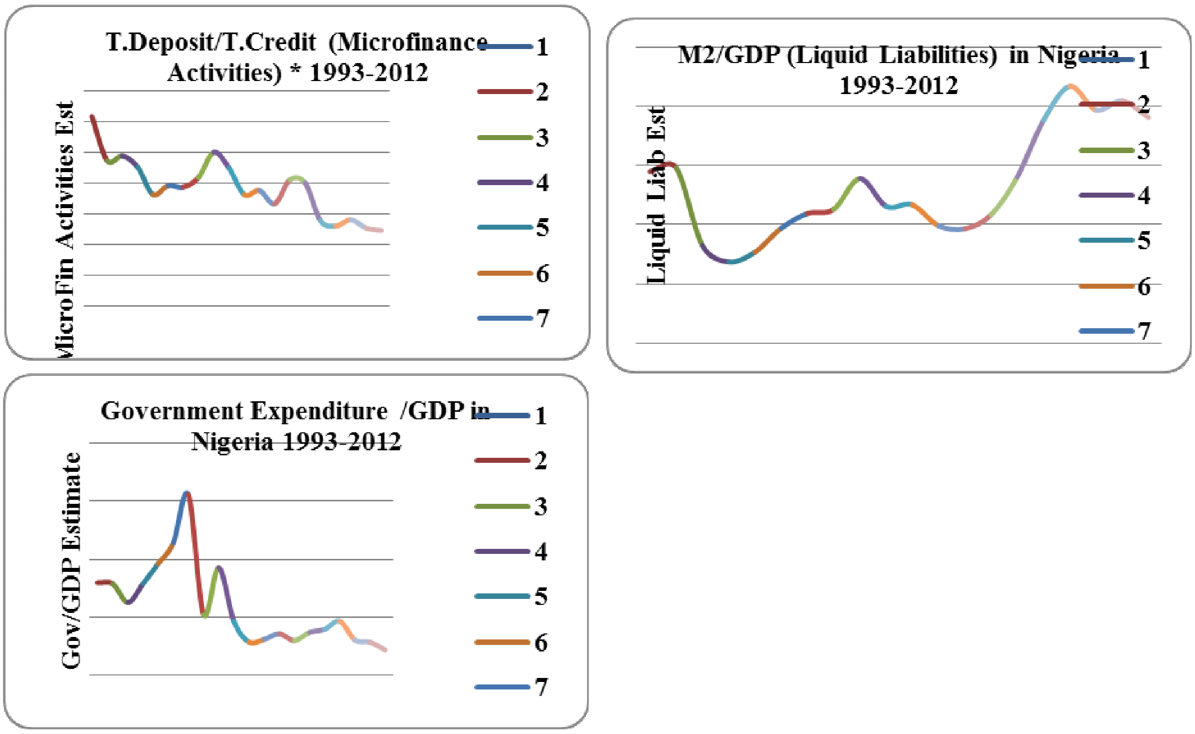
Source: Author's estimation using Microsft Excel Computer Statistics (Version 2007)

Fig. 4.2 Graphical Presentation of the Controlled Research Variables 1993 – 2012



Source: Author's estimation

Fig. 4.3 Graphical Presentation of the Transformed Research Variables 1993 - 2012



Sources: Author's estimation

A look at figure 4.1 shows that total deposit and total credit of microfinance banks exhibited similar feature.

Both variables showed creeping and gradual movements from 1993 to 2001, but dropped between

2006/2007. Thereafter, there was upward reversal for the remaining period of the study. During the period 1993-2001, government (CBN) imposed interest rates on microfinance banks (Community Banks). This affected the business of community banks aversely. The inauguration of the National Microfinance Policy in 2004 and the introduction of microfinance banks (MFBs) by the CBN brought a positive business climate to the MFBs.

The annual values of the controlled variables are presented in Table 4.2 while fig. 4.2 represents the graphs. The graphs show that the variables fluctuated over the period covered with the broad money (M_2) revealing smoother and gentle upward swing than the remaining two variables. The graph, (4.2.1) shot precisely upwards from 2005 with M_2 doubling in magnitude continuously till the end of the research period. This could be explainable to the banking sector capitalisation of 2004.

Interest rate fluctuated approximately 13% low in 1997 and peaked at 24% in 2002. The 2004 banking sector consolidation affected interest rate in reverse with downward fluctuation throughout the research period.

4.2 Data Analysis

Table 4.2.1.below shows the descriptive statistics of employed research variables.

Table 4.2.1 Descriptive Statistics of Employed Research Variables

	PI	ER	RDP_TP	GDP	RTD_TC	MFBI	RLL_GDP	IR	RGE_GDP
Mean	63.91579	84.70000	80283.70	1.13E+13	1.976895	2950.596	0.259584	18.59474	0.061258
Median	65.50000	87.80000	56489.99	6.91E+12	1.962383	2261.000	0.231400	18.29000	0.046500
Maximum	88.00000	98.20000	246487.47	3.24E+13	3.089805	8956.300	0.434800	24.85000	0.155900
Minimum	49.00000	31.00000	7262.910	6.84E+11	1.272230	218.4000	0.137000	13.54000	0.028300
Std. Dev.	10.91606	17.99469	64503.07	1.05E+13	0.462580	3120.679	0.088937	2.492258	0.035122
Skewness	0.595598	2.146061	0.526311	0.719854	0.380818	0.886485	0.655669	0.362281	1.155962
Kurtosis	2.491635	6.584189	1.768747	2.078922	3.054046	2.337580	2.323955	3.798299	3.739058
Jarque-Bera	1.327929	24.75440	2.077330	2.312573	0.461551	2.835924	1.723175	0.920131	4.663863
Probability	0.514806	0.000004	0.353927	0.314652	0.793918	0.242207	0.422491	0.631242	0.097108
Sum	1214.400	1609.300	1525390.	2.16E+14	37.56100	56061.33	4.932100	353.3000	1.163900
Sum Sq. Dev.	2144.885	5828.560	7.49E+10	1.98E+27	3.851641	1.75E+08	0.142375	111.8043	0.022204
Observations	20	20	20	20	20	20	20	20	20

Source: Author's E-view Based Result 2014.

The average value for poverty index over the twenty year period was 63.92%. This rate is high and indicates that Nigeria still has a lot to do to combat poverty. The maximum level of poverty over the period covered was approximately 88% while the minimum level was 49%.

The average value of the ratio of microfinance total deposit to total credit over the period covered was approximately 1.98. This means higher deposit to credit and an indication of moderate liquidity of microfinance banks. Liquidity of microfinance banks was highest at 3.09 and lowest at 1.27 respectively over the period of study.

The liquid liabilities measured by the ratio of M_2 to GDP were generally low over the period. The average ratio was approximately 0.26. By implication, the money supply aggregate, $M_{2,}$ contributed only about 2.6% per annum to GDP over the period of study. The maximum and minimum contributions of M_2 to GDP were 4.35% and 1.37% respectively. The mean interest rates for the banks stood at 18.59% with a maximum value of 24.85% and minimum value of 13.54% over the period.

Lastly, the ratio of government expenditure of GDP was relatively low with average of approximately 0.6% per annum, maximum ratio of 1.56% and minimum ratio of 0.28% respectively over the period.

Federal Government Capital expenditure also fluctuated over the research period. It was relatively low at the early stage of the period up to the inception of democracy in 1999. The era of civilian administration witnessed upward and persistent shift in government capital expenditure.

In time series empirical analysis, some data could be "transformed" and their ratio used in analysis. This is the justification for Table 4.3. This is necessary to introduce smoothness in the data overtime by dampening the fluctuations resulting in a systematic pattern in the disturbances (Gujaratti and Porter, 2009).

Figure 4.3 shows microfinance banks activities. The ratio of total deposit to the total credit of microfinance banks which is a measure of their activities over the period was discouraging as it fluctuated downward and continued all through the research period. The rate at which total deposit covered credit of the banks was twice with a maximum of three times at the inception of the study. The implication is poor deposit base for microfinance banks thus making loan advancement to prospective clients difficult.

4.3 Interpretation

Table 4.5 below represents the Econometric View (e-view) output of the multiple linear regression test. The estimated coefficients of the explanatory variables are as presented in the model.

Table 4.5: Regression Results for the Hypothesis

Dependent Variable: PI
Method: Least Squares
Sample: 1993 2012
Included observations: 20

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	39.05643	25.00034	1.562236	0.1405
RTD_TC	-6.056635	6.855899	-0.883420	0.3919
RLL_GDP	-10.63364	33.54692	-0.316978	0.7559
IR	1.859153	1.104316	1.683534	0.1144
RGE_GDP	81.99019	80.45040	1.019140	0.3254

R-squared	0.232711	Mean dependent var	63.91579
Adjusted R-squared	0.013486	S.D. dependent var	10.91606
S.E. of regression	10.84220	Akaike info criterion	7.825703
Sum squared resid	1645.746	Schwarz criterion	8.074240
Log likelihood	-69.34418	Hannan-Quinn criter.	7.867765
F-statistic	1.061516	Durbin-Watson stat	0.826944
Prob (F-statistic)	0.411622		

Source: Researcher's E-view Based Result 2014.

By substitution, the model stands as:

PI = 39.06 – 6.057 RTD_TC – 10.633 RLL_GDP + 1.859 IR + 81.990 RGE_GDP….4.1.

The result in the above equation shows an intercept of 39.06. This value is positive but statistically insignificant with p-value of 0.14 greater than 0.05. This is an indication that poverty index will be constant at 39.06% when there is no change in the explanatory variables. The coefficient of total deposit to total credit (RTD_TC) is negative but not significant for p-value of 0.39 is greater than 0.05. However, the negative coefficient (-6.057) of RTD_TC showed that for every one per cent (1%) increase in RTD_TC over the period of study holding other variables constant, poverty index decreased by approximately 6.057%. In other words, an inverse relationship exists between RTD_TC and poverty index. This is encouraging as it is consistent with empirical evidence (Okpara, 2010;Audu&Achegbulu 2011; Ilegbinosa & Opara 2014). The implication is that the more people deposit money in microfinance banks, the less the index of poverty in Nigeria for the banks will have more money to lend.

Controlling for other variables that impact on poverty in Nigeria, liquid liabilities (RLL_GDP) showed negative but insignificant p–value. A one percent increase in RLL_GDP over the period of study, decreased poverty by 10.63%. Interest rate (IR) revealed positive but insignificant (0.11) result. A one percent increase in interest rate over the period of study increased poverty by 1.86%. Similarly, a one percent increase in the ratio of government expenditure to GDP (RGE_GDP) over the period, increased poverty index by 81.99%. This, however, is questionable as reverse should have been the case. Possible explanation could be that funds designated for capital projects were misapplied. The Policy could beam its searchlight towards corruption.

Since the coefficient estimate is -6.056635 and the calculated t-value -0.883420 which is less than the table t-value of 1.7293, the result of the test is that microfinance banks activities do not have a significant positive impact on poverty alleviation in Nigeria.

5. Conclusion and Recommendations

Poverty has been identified as a debilitating cankerworm among human society. Its effects are felt more in developing countries. The World Bank Report (2014) listed Nigeria third in the league of five countries with the largest number of the poor. Inaccessibility of credit is among the factors that exacerbate poverty. Micro-financing has been globally identified by development practitioners as an escape route from poverty. The Central Bank of Nigeria, imbibing the microfinance catechism, established the microfinance Policy in 2005 by which the existing community banks transformed into microfinance banks (CBN, 2005). Among the objectives of the CBN was to create a channel for easier accessibility of credit to the poor, which the main financial institutions deny them. To ascertain the state of this objective prompted this study. The result of the tested hypothesis revealed that microfinance activities in Nigeria have not alleviated poverty during the period of study. Some recommendations have been posited. They include that core microfinance banks should be established and not micro-deposit banks masquerading as microfinance banks; Microfinance banks should be established in the rural and semi-rural than urban areas; the lending interest rate of the microfinance banks should be poor people -friendly. Microfinance banks should be for the poor and not hijacked by the rich; microfinance banks in Nigeria should be gender sensitive towards women. Microfinance banks should be excised from the ambit of the CBN and Microfinance Board created in its stead.

References

Albee, A. (1996). Beyond banking for the poor; Credit mechanism and women's empowerment. *Gender and Development*, 4(3), 48-53.

Abiola, I. & Salami A.O. (2011). Impact of microfinance banks and standard of living of hairdressers in Ogbomoso Local Government Area of Oyo State Nigeria. *International Business Management Medwell Journals 27-32*.

Bajwa, R. (2002). Microcredit methodologies and the role of rural support programs in delivery of microcredit in Pakistan. *Committee on Rural Finance (CRF)*.

Beandry S. (no date).Microfinance, a guide for grantmakers.Grantmakers without borders 1009 General Kennedy Avenue, No.2, San Francisco, CA94129: 08/08/2012.

Bello &Roslan. (2010), Has poverty reduced in Nigeria 20 years after?*European Journal of Social Sciences, 15(1) 7-17.*

Bondreaux K. & Cowen T. (2008), The micromagic of microcredit. *The Wilson Quarterly,* 32(2), 27-31.

Coleman, B. (2011). Measuring impact of microfinance programmes. Finance for the poor, Agriculture and social sectors department (West), Asian Development Bank, *Newsletter*, 2(4), 31-45.

Daley-Harris, S. (2002) Pathways out of poverty. Innovation in microfinance for the poorest families, (Ed.) Kumarian Press, Inc. U.S.A.

Department for International Development, DFID (2000).

Ehigiamusoe, G. (2008), The role of microfinance institutions in the economicof Nigeria, *Bullion* 32(1) 17-25.

Grameen Bank(1977). Bank for the poor.www.grameen-info.org

Gujarati, D.N. & Porter, D.C. (2009). Basic Econometrics, New York, Macgraw-Hill/Irwin Ltd.

Ibrahim, S. &Nnayab P. (1994). The appropriateness of a community-based programme: A case study of the AKRSP in two villages of Gilgit District. *The Pakistan Development review* 33(4), 65-81.

Jayawardena, A. (2201). Help the poor to help themselves, Finance for the poor, Agriculture and Social Sectors Department (West), Asian Development, *Newsletter*, 2(4) 15-24.

Khander, S.R. (2005).Microfinance and poverty.Evidence using panel data from Bangladesh. *The World Bank Economic Review*, 19(2) p 263-286.

Kuramanaliera, E. Montgomery, H. & Weiss, J. (2003), Microfinance and poverty reduction in Asia: What is the evidence? ADB Institute.

Lalitha, N. (2008). Readings on Microfinance.*Dominant Publishers and Distributors*, Delhi.

Okafor, F.O. (2000). *Journal of the Management Sciences* published by Faculty of Management Sciences, Unizik, 25.

Onwumere, J.U.J, (2009).Business & Economics Research Method, Enugu. Vangasen Ltd.

Pharm, T. &Lensink, R. (2008). Is microfinance an important instrument for poverty alleviation? *TheNetherlands*, University of Groningen.

Rubana, M. (2008).Microfinancing in Bangladesh: Impart on households, consumption and welfare. *Journal of policy modeling*, 30, 1083-1092.

Yahaya, K.A., Osemene, O.F. &Abdulraheem, A. (2011). Effectiveness of microfinance banks in alleviating poverty in Kwara State Nigeria. *Global Journal of Management and Business Research*, 11.USA Global Journals.

Zeller, M. & Sharma (1998). Rural finance and poverty alleviation, Washington, D.C. USA. International Food Policy Research Institute (IFPRI).