
EFFECT OF MICRO FINANCE BANKS ON ENTREPRENEURSHIP DEVELOPMENT IN NIGERIA: A STUDY OF WOMEN ENTREPRENEURS IN BENUE STATE

OLOTU, OLAFEMIAYOPO PHD
Department of Agribusiness
College of Management Sciences
Federal University of Agriculture
Makurdi, Benue State
Nigeria
Ire12olotu@gmail.com

ADEBUSOYE, ADEYEMI BUSAYO
Entrepreneurship Department
College of Management Sciences
Joseph Ayo Babalola University
Ikeji-Arakeji
Osun State Nigeria

ABSTRACT: *This study examined the effect of Micro Finance Banks on Entrepreneurship Development in Nigeria: A study of Women Entrepreneurs in Benue State. The study employed field survey design, for data collection, where primary data were sourced with the aid of structured questionnaire. Data collected was analyzed using descriptive statistics (frequency counts, tables and simple percentages). The hypotheses were tested using t-test statistics at 0.05 level of significance, while SPSS version 21 was used to run the analysis. A total of 171 respondents, were selected using simple random sampling method, and the sample size was arrived at using Taro Yamene finite population criteria. The findings of the study revealed that microfinance banks operational strategy has effect on entrepreneurship development in Benue, microfinance banks credit access has effect on entrepreneurship development in Benue state and microfinance banks services has effect on entrepreneurship development. The study finally recommended among others that; microfinance banks should encourage women entrepreneurs in the state to embark on agricultural projects, the interest rate on loan should be reduced to encourage savings.*

Key words: Women Entrepreneurs, Development, Micro finance, Credit, Banks and Entrepreneurship

INTRODUCTION

Women perform 66 percent of the world's work, produce 50 percent of the food, but earn 10 percent of the income and own 1 percent of the property. Globally, women represent 49.6% of the total population, but only 40.8% of the total workforces in the formal sector (Singh, 2012). Women have similar entrepreneurial potential as men to contribute to wealth creation and employment by starting and developing their own businesses. Unfortunately, their

potential has not been fully realized and utilized because of the systemic challenges that women entrepreneurs face (Hanson, 2009).

Specifically, globally, women who choose to pursue *entrepreneurial ventures* have had limited representation in the construction industry, which limits their contribution to economic development (Wangle, 2009; Worrall, Harris, Thomas, Stewart, Jessop & Platen, 2008).

Women Entrepreneurs are owners of a firm who start, manage and develop firms to undertake business activities in the face of risk and uncertainty for the purpose of generating profits (Rwelamila, Nchimbi & Masoud, 2014).

There were 9.1 million women-owned businesses, employing 27.5 million workers with reported revenues of almost \$3.6 trillion (Center for Women's Business Research, 2002). From 1997 to 2002, women formed new businesses at twice the national rate (Center for Women's Business Research, 2002).

By 2003 women were recognized as a driving force in the American economy, whether measured by the number of businesses owned, the revenues generated, or the number of people employed. Female entrepreneurs are increasingly prominent as employers, customers, suppliers, and competitors in the US and in the global community. However, the research and dissemination of information about female entrepreneurship has not kept pace with the impact these women and their enterprises have had on the economy.

The Central Bank of Nigeria Survey in 2001 indicated that the operations of formal microfinance institutions in Nigeria are relatively new, as most of them never registered after 1981 (Alani and Sani, 2014).

Before now, commercial banks traditionally lend to medium and large enterprises which are judged to be credit-worthy. They avoided doing business with the poor and their micro enterprises because the associated costs and risks are considered relatively high (Anyanwu, 2004; Alani and Sani, 2014).

However, meeting basic amenities and cash requirement for family maintenance is the main challenge for the micro entrepreneurs of which account for about 58 percent of the informal sector of the economy (World Bank, 2007; Klaus, 2010).

Today, many rural communities in Nigeria have one or more of this microfinance bank, and they have had far more reaching implications for the entire socioeconomic development of rural communities in Nigeria (Adeusi, 2005). It is worthwhile to note that lack of funds often caused the collapse of small businesses and the extinction of ingenious ideas before they could be translated into reality among women.

The initial efforts towards women empowerment were government-led, but lately, emphasis has shifted to Small and Medium Scale Enterprises (SMEs) following the lessons learnt from the success of SMEs in the economic growth of Asian countries (Ojo, 2003; Babajide, 2011).

Thus, the recent industrial development drive in Nigeria has focused on sustainable development through small business development with emphasis on women empowerment. The hidden capacity of the poor women for entrepreneurial advancement would be significantly enhanced through the provision of microfinance services to enable them engage in economic activities to enable them to be more self-reliant, increase employment opportunities, enhance household income and create wealth (Babajide, 2011).

The contribution of Micro, Small & Medium Enterprises (MSMEs) to economic growth and sustainable development is globally acknowledged (CBN, 2004). There is an increasing recognition of its pivotal role in employment generation, income redistribution and wealth creation (NISER, 2004; Babajide, 2005).

Micro, Small and Medium Enterprises (MSMEs) among women is an important part of the business landscape in any country they are faced with significant challenges that inhibit their ability to function and contribute optimally to the economic development of many African countries. The position in Nigeria is not different from this generalized position (NIPC, 2001). In 2005, the Federal Government of Nigeria adopted microfinance as the main financing window for micro, small and medium enterprises in Nigeria. The Microfinance Policy Regulatory and Supervisory Framework (MPRSF) were launched in 2005.

The policy, among other things, addresses the problem of lack of access to credit by small business operators who do not have access to regular bank credits (Babajide, 2011). It is also meant to strengthen the weak capacity of such entrepreneurs, and raise the capital base of microfinance institutions.

The main purpose of the microfinance policy is to make financial services handy to a large segment of the potentially productive Nigerian populace, which have had little or no access to financial services and empower them to contribute to economic development of the country. Majority of the micro and small enterprises (MSEs) owned by women in Nigeria are still at a low level of development, especially in terms of number of jobs, wealth and value creation, because 65% of entrepreneurs in Nigeria, are yet to be served by the formal financial institutions (Babajide, 2011).

The microfinance institutions available in the country prior to 2005 were not able to adequately address the gap in terms of credit, savings and other financial services for women (Central Bank of Nigeria, 2004). As reported by the Central Bank of Nigeria, the share of micro credit as a percentage of total credit was 0.9%, while its contribution to GDP was a mere 0.2%.

International Finance Corporation (IFC) reported in 2002 that only 2 out of every 10 newly established businesses survive up to the fifth year in Nigeria. The report was corroborated by Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) that only 15% of newly established businesses survive the first five years in Nigeria. This is an indicator to show that there is a problem. The vital role of finance to the development and continued existence of MSMEs and the adoption of microfinance as the main source of financing MSMEs in Nigeria therefore makes it imperative to study the extent to which microfinance can enhance small business development among women entrepreneurs in Benue State. The microfinance banks will be measured with operational, credit access and bank services dimensions.

Statement of Hypotheses

HO₁– Micro-finance banks operations makes no significant effect to the entrepreneurship development by women entrepreneurs in Benue State.

HO₂ –Micro-finance banks does not have significant effect on credit access and women entrepreneurship development.

HO₃ –There is no significant effect between microfinance banks policies and women entrepreneurial development.

REVIEW OF RELATED LITERATURE

Microfinance Theory by Greg and Ghatak (1999)

This study is based on microfinance theory propounded by Greg and Ghatak in 1999 as cited by Adeusi(2005). The theory focused exclusively on joint liability which can be interpreted in several ways but lumped under two categories. First, under explicit joint liability, when one borrower cannot repay her loan, group members are contractually required to repay in her stead. Such repayments can be enforced through the threat of common punishment, typically the denial of future credit to all members of the defaulting group or by drawing on a group savings fund that serves as collateral.

Second, the perception of joint liability can be implicit, that is, borrowers believe that if a group member defaults, the whole group will become ineligible for future loans even if the lending contract does not specify this punishment. One form in which this can happen is if the microfinance organization itself chooses to fold its operations when faced with delinquency.

Microfinance Banks

According to Adeusi (2005), Micro finance banks are basic instrument through which the whole concept of micro finance is executed. According to the basis of micro finance, it is a term which is related with promoting the habit of savings. At the same time, the concept also aims at providing loans and insurance and other traditional service to the poor people to support their business, which can also be termed as micro business. The prime aim of these banks is to provide institutional financial services to those people who are denied from all these because of their poverty.

However, Microfinance Bank is any company licensed by the Central Bank of Nigeria to carry on business of providing microfinance services such that are needed by the economically active poor, micro, small and medium enterprises to conduct or expand their businesses as defined in the guideline for MFBs in Nigeria.

This is to create vibrant micro-financing that provide the necessary stimulants for national growth and economic development. In view of this inherent weak institutional capacity, weak capital base and existence of huge unsaved market among others, it is imperative that the framework for microfinance bank according to the provision of CBN (2004) are:

- Microfinance Banks (MFBs) licensed to operate as a unit: these are previous community banks licensed to operate branches and cash centres subject to meeting the prescribed prudential requirements and availability of free fund for opening branches/ cash centers. The minimum paid-up capital of this category of banks is ₦20million for each branch. The branding should be gradual within a local council before it spreads to other local councils and state.
- Microfinance Banks (MFBs) licensed to operate in a state: these are MFBs licensed to operate in all parts of the state at once within recourse to gradual coverage as in unit MFBs. Branches are opened subject to meeting prescribed prudential requirement and

availability of free funds. The minimum paid-up capital for this category of MFBs is ₦1billion.

Women Entrepreneurship Development

There is an ongoing debate as to the best way to stimulate women entrepreneurship that contributes to both economic and social inclusion. A thorough understanding of how SMEs grow is an important issue because, according to Osemeke (2012), small and medium-sized enterprises provide the engine for economic growth for many countries. There is a strong business case for promoting women's economic development, entrepreneurship and enterprise.

As a result of gender inequalities, women remain to some degree in all parts of the globe-untapped economic resources and underutilized economic assets. Nongovernmental organisations around the world are now creating and implementing projects to encourage entrepreneurship as a pathway out of poverty. Many projects specifically target women in third world countries.

Klaus (2010) explored female entrepreneurs' growth patterns using census survey data in Lesotho, Swaziland, South Africa and Zimbabwe. They found that: Employment growth rates of women entrepreneurs are significantly lower than men; females have not translated access to credit and training into increases in firms' employment to the same extent that men have; even within the same sub-sector.

Women enterprises grow more slowly than men's; women entrepreneurs are concentrated in a narrow sub-sector and the most cited problem of female entrepreneurs is inadequate market demand. The World Bank Group started the Gender Entrepreneurship Markets. Gender Entrepreneurship Markets aim to help better leverage the untapped potential of women in the emerging markets. Its activities are structured around three main goals namely; increasing access to finance for women, adding value to IFC investment projects and addressing gender barriers in the business-enabling environment. Examples of countries benefiting from Gender Entrepreneurial Monitor include Guatemala, Pangaea, Mexico and Nigeria (UNIDO, 2001).

The DTI also has an initiative called Technology for Women in Business that focuses on women entrepreneurs at all levels of business to fast-track their skills development and to enable them embrace appropriate technologies. In addition, in South Africa, Khula Enterprise Finance limited was established specifically to promote the delivery of micro-credit to rural women and the poor. Various science councils and organisations are partners in the initiative, offering training and mentorship programmers.

Empirical Studies

Microfinance and entrepreneurship development has been a subject of many studies over the years. Ojo (2009), carried out a research work on the 'Impact of Microfinance on Entrepreneurial Development: The case of Nigeria' to investigate the impact of microfinance on entrepreneurial development of small scale enterprises that are craving for growth and development in an economy like Nigeria. The researcher used questionnaire as an instrument of primary data collection.

Tables and simple percentages were used in data presentation. For clear analysis, the study centers on two broad variables: the dependent variable which is entrepreneurial development and the independent variable which is microfinance institutions. Three different hypotheses were formulated and tested using various statistical tools such as chi square, analysis of variance and simple regression analysis.

The study reveals that: there is a significant difference in the number of entrepreneurs who used microfinance institutions and those who do not. The researcher concludes that microfinance institutions world over, especially in Nigeria are identified to be one of the key players in the financial industry that have positively affected individuals, business organizations, other financial institutions, the government and the economy at large through the services they offer and the functions they perform in the economy.

Ojo (2009) focused their article on ‘the Effect of Microfinance Factors on Women Entrepreneurial Performance in Nigeria’. They agreed that women play a crucial role in the economic development of their families and communities but certain obstacles such as poverty, unemployment, low household income and societal discrimination mostly in developing countries have hindered their effective performance of that role. They hypothesized that: credit, savings, training and social capital are positively related to women entrepreneurs’ performance in Nigeria, credit, savings, training and social capital are positively related to opportunity for entrepreneurial activity of women entrepreneur in Nigeria; and that opportunity for entrepreneurial activity acts as a link between microfinance factors and women entrepreneurs’ performance.

METHODOLOGY

Correlational survey research design was adopted in this study; this study is a relational study of microfinance bank with entrepreneurship development. The study is also cross-sectional as it is carried out in a particular period. The population for this study included all the women banking with four microfinance banks in Makurdi Local Government areas in Benue State with a total population of 500, operating a microfinance bank account as an entrepreneur. Simple random sampling technique was used to select women entrepreneurs in the study area.

This was done in order to give all the women an equal chance of been selected. Therefore, a total of 222 subjects were selected for the study through the use of Taro Yamane sample size determination, but only 171 questionnaire was retrieved and good for analysis. The source of data for this research work is primary data which were collected directly from the field, while the instrument of data collection for this research work is questionnaire which were administered directly to women entrepreneurs banking with the four microfinance banks in Makurdi. The method of analysis that was used for the primary data is t-test statistics which measures the discrepancies existing between variables at level of significance of 0.05.

Results and Discussion

Socio-Demographic Characteristics

Table 1: Bio Data of respondents

Variables	Frequency	Percentage (%)
------------------	------------------	-----------------------

Sex		
Female	171	100
Total	171	100
Marital Status		
Single	48	26.31
Married	120	70.17
Others	5	2.92
Total	171	100
Educational Qualification		
PhD	1	0.58
MSc /MBA	15	8.77
BSc/HND	65	38.01
NCE/OND	85	49.70
School Cert	5	2.92
Total	171	100
Age Distribution		
18-24yrs	30	17.54
25-35yrs	65	38.01
36-45 yrs	40	23.39
45 above	36	21.05
Total	171	100
Age of Business		
1-5yrs	10	5.84
6-10 yrs	50	29.23
11-15yrs	40	23.39
16-20 yrs	66	38.59
20 and above yrs	5	2.92
Total	171	100

Source: Field Data, 2017.

Table 1 above captures the bio data of all the respondents. The table clearly shows that 100% of the respondents were females. On the marital status of the respondents, the table shows that 26.31 % of the respondents were single, while 70.17% and 2.92% of the respondents were married and in other marital status group respectively. Also on the educational qualification of the respondents, the majority 49.70% of the study participants were B.sc/HND holders, 38.01% were MSc/MBA holders, 27.8% were NCE/OND holders, while 2.92% were school cert holders, and 1 respondent representing 0.58% of the respondents is a PhD holders.

Furthermore, the table shows the age distribution of the respondents as 17.54% for those between 18-24 years, 38.01% for those between 25-35 years, 23.39% for those between 36-45 years, and 21.05% for those between 40 years above. The age of business of the respondents stands at 5.84% for those whose business is between 1-5 years, 29.23% for 6-10 years, 23.39% for 11-15 years, 38.59% for 16-20 years and 2.92% for those whose business are above 20 years.

Effect of Microfinance Bank Operational Strategies on Women Entrepreneurship Development in Benue State

Table 2: Percentage Scores on the effect of microfinance bank strategies on women entrepreneurship development.

Items.	1	2	3	4	5
i Micro finance bank focuses on women entrepreneurs especially in rural communities	50 (29.23%)	55 (32.16%)	15 (8.79%)	50 (29.23%)	1 (0.58)
ii Loans given by the micro finance banks are usually collateral free loans	5 (2.92%)	10 (5.84%)	80 (46.78%)	70 (40.93%)	1 (0.58%)
iii Micro finance bank lending policies are appropriate for financing sustainability among women entrepreneurs.	15 (8.79%)	15 (8.79%)	75 (43.85%)	6 (3.50%)	6 (3.50)
iv Application process for loans in micro finance banks are usually simple	7 (4.09%)	9 (5.26%)	85 (49.70%)	70 (40.93%)	-

Source: Field Data, 2017

Table 2 above revealed 50 respondents, representing (29.23%) strongly agreed that microfinance banks focuses on women entrepreneurs especially in rural communities, while 55 respondents representing (32.16%) of the respondents agreed, 15 respondents representing (8.79%) of the respondents disagreed, while 4 respondents representing (3.70%) of the respondents strongly disagreed, and 1 respondent representing (0.58%) of the respondents was neutral. Also 5 respondents representing (2.92%) of the respondents strongly agreed that loans given by microfinance banks are usually collateral free loans, 10 (5.84%) agreed, and 80 of

the respondents representing (46.78%) disagreed, 70 (40.93%) strongly disagreed while 1 respondents representing (0.58%) was neutral.

While 50 respondents representing (46.30%) of the respondents strongly agreed that entrepreneurship training reduces the level of unemployment, 40 (37.03%) respondents agreed, while 10 (9.25) of the respondents disagreed, and 8 respondents representing (7.41%) strongly disagreed. Furthermore 40 respondents representing (37.03%) of the respondents strongly agreed that entrepreneurship training enhance youth development, 45 (41.67%) of the respondents agreed, 10 (9.25%) disagreed, while 5 (4.63%) of the respondents strongly disagreed and 8 respondents representing (7.41%) of the respondents were undecided.

Effect of the Credit Access on Women Entrepreneurship Development in Benue State

Table 3: Percentage Scores on the effect of credit access on women entrepreneurship development in Benue State.

Items.	1	2	3	4	5
i There is enough credit facilities at Algrib microfinance bank for women entrepreneurs	48 (26.31%)	32 (18.71%)	40 (23.39)	51 (29.50)	-
ii Procedures to access credit facilities from micro finance banks are flexible	11 (6.43%)	10 (5.84%)	90 (52.63%)	60 (35.08%)	-
iii Credit facilities offered by micro finance banks are sufficient enough.	5 (2.92%)	15 (8.77%)	50 (29.23%)	100 (58.49%)	1 (0.58)
iv Interest rate as stipulated by the micro finance bank is at a market level interest rate which are affordable.	10 (5.84%)	5 (2.92%)	105 (61.40%)	48 (28.07)	3 (1.75)

Source: Field Data, 2017.

Table 3 above revealed 48 respondents, representing (26.31%) strongly agreed that there is a enough credit facilities at Algrib microfinance bank for women entrepreneurs, while 32 respondents representing (18.71%) of the respondents agreed, 40 respondents representing (23.39%) of the respondents disagreed, while 51 respondents representing (29.50%) of the respondents strongly disagreed.

Also 11 (6.43%) of the respondents strongly agreed that procedures to access credit facilities from micro finance banks are flexible, 10 (5.84%) agreed, and 90 of the respondents representing (52.63%) disagreed, 60 (35.08%) strongly disagreed while 5 respondents representing (2.92%) of the respondents strongly agreed that credit facilities offered by

microfinance banks sufficient enough, 15 (8.77%) respondents agreed, while 50 (29.23%) of the respondents disagreed, and 100 respondents representing (58.49%) strongly disagreed. Furthermore 10 respondents representing (5.84%) of the respondents strongly agreed that interest rate stipulated by microfinance banks is at market level interest rate, 5 (2.92%) of the respondents agreed, 105 (61.40%) disagreed, while 48 (28.07%) of the respondents strongly disagreed and 3 respondents representing (1.75%) of the respondents were undecided.

Effect between microfinance bank services on women entrepreneurship development in Benue State.

Table 4: Percentage Scores to examine the effect between microfinance bank services on women entrepreneurship development in Benue State.

Items.	1	2	3	4	5
i Micro finance bank provide services to women entrepreneurs in both the rural and urban areas in the state.	80 (46.78%)	41 (23.97%)	30 (17.54%)	28 (16.37%)	2 (1.16%)
ii Loan payback period by micro finance banks is favorable which encourage borrowing	15 (8.77%)	11 (6.43%)	75 (43.85%)	60 (35.08)	-
iii Micro finance banks give easy access to banking services and encourage savings among women entrepreneurs.	75 (43.85%)	60 (35.08%)	11 (6.43%)	15 (8.77%)	-
iv Micro finance banks provide technical advisory service to their customers on current business trend	71 (41.52%)	60 (35.08%)	20 (11.69%)	18 (10.52%)	2 (1.16%)

Source: Field Data, 2017.

Table 4 above revealed 80 respondents, representing (46.78%) strongly agreed that microfinance bank provide services to women entrepreneurs in both rural and urban areas of the state, while 41 respondents representing (23.97%) of the respondents agreed, 30 respondents representing (17.54%) of the respondents disagreed, 28 respondents representing (16.37%), and 2(1.16%) were undecided.

Also 15 (8.77%) of the respondents strongly agreed that loan payback period by microfinance banks is favourable which encourage borrowing, 11 (6.43%) agreed, and 75 of the respondents representing (43.85%) disagreed, 60 (35.08%) of the respondents strongly disagreed. While 75 respondents representing (43.85%) of the respondents strongly agreed that microfinance bank give easy access to banking services and encourage savings among

women entrepreneurs, 60 (35.08%) respondents agreed, while 11 (6.43%) of the respondents disagreed, and 75 respondents representing (43.85%) strongly disagreed.

Furthermore 71 respondents representing (41.52%) of the respondents strongly agreed that microfinance banks provide technical adversary services to their customers on current business trend, 60 (35.08%) of the respondents agreed, 20 (11.69%) disagreed, while 18 (10.52%) of the respondents strongly disagreed and 2 respondents representing (1.85%) of the respondents were undecided.

Women Entrepreneurship Development in Benue State.

Table 5: Percentage scores on women entrepreneurship development in Benue State.

D	women entrepreneurship development	1	2	3	4	5
i.	Women entrepreneurship has improved in the last 5 years.	102 (59.64%)	38 (22.22%)	20 (11.69%)	10 (5.84%)	1 (0.58%)
ii.	Expansion of women entrepreneurs observed recently	81 (47.36%)	40 (23.49%)	30 (17.54%)	20 (11.69)	-
iii.	There is an improvement in the Socio-economic status of women entrepreneurs in the state.	45 (26.31%)	55 (32.16%)	35 (20.46%)	36 (21.05%)	-
iv.	Women entrepreneurs in the state are involved in agriculture project.	31 (18.12%)	40 (23.39%)	70 (40.93%)	45 (26.31%)	5 (2.92%)

Source: Field Data, 2017.

Table 4 above revealed 102 respondents, representing (59.64%) strongly agreed that women entrepreneurship has improved in the last five years, while 38 respondents representing (22.22%) of the respondents agreed, 20 respondents representing (11.69%) of the respondents disagreed, 10 respondents representing (5.58%), and 1 (0.58%) were undecided. Also 81 (47.36%) of the respondents strongly agreed that expansion of women entrepreneur

was observed recently, 40 (23.49 %) agreed, and 30 of the respondents representing (17.54 %) disagreed, 20 (11.69%) of the respondents strongly disagreed.

While 45 respondents representing (26.31%) of the respondents strongly agreed that there is an improvement in the socio-economic status of women entrepreneurs in the state, 55(32.16%) respondents agreed, while 35 (20.46%) of the respondents disagreed, and 36 respondents representing (21.05%) strongly disagreed.

Furthermore 71 respondents representing 31 (18.12%) of the respondents strongly agreed that women entrepreneurs in the state are involved in agricultural project, 40 (23.39%) of the respondents agreed, 70 (40.93%) disagreed, while 45 (26.31%) of the respondents strongly disagreed and 5 respondents representing (2.92%) of the respondents were undecided.

Test of Hypotheses

Hypothesis 1

HO₁ .Microfinance banks operational strategies has no significant effect to entrepreneurship development in Benue State

Table6: Test Statistic of the Mean Rating Response of the Effect of Microfinance Banks Operational Strategies on Entrepreneurship Development.

(N=171)

Respondents	Response	\bar{X}	SD	T-test	DF	P-value
Women entrepreneurs	SA	250.50	14.64	14.37	3	0.001
	A	220.25	12.97			
	SD	50.75	18.33			
	DA	30.25	18.33			
	N	3.25	05.33			

Source: Researcher's Computation using SPSS Version 21

From the above table, the following results were obtained (t- test=14.37, df=3, p=0.001). Since the significant p-value is less than 0.05 which is the acceptance level of significance. The null hypothesis which states that a microfinance banks operational strategy has no significant effect to entrepreneurship development in Benue State is rejected and the alternative accepted. It is therefore concluded that microfinance banks operational strategies has a significant effect on entrepreneurship development.

Hypothesis 2

HO₂ .Microfinance banks access to credit has no significant effect to entrepreneurship development in Benue State.

Table7: Test Statistic of the Mean Rating Response of the Effect of Microfinance Banks credit access on Entrepreneurship Development. (N=171)

Respondents	Response	\bar{X}	SD	T-test	DF	P-value
Women entrepreneurs	SA	128.13	17.04	17.37	3	0.003
	A	210.25	12.97			
	SD	63.00	11.33			
	DA	30.21	14.03			
	N	1.18	02.13			

Source: Researcher's Computation using SPSS Version 21

From the above table, the following results were obtained (t' test=17.37, df=3, p=0.003). Since the significant p-value is less than 0.05 which is the acceptance level of significance. The null hypothesis which states that microfinance banks access to has no significant effect to entrepreneurship development in Benue State in Benue State is rejected and the alternative accepted. It is therefore concluded that microfinance access to credit has a significant effect on entrepreneurship development.

Hypothesis 3

HO₃ : Microfinance banks services has no significant effect to entrepreneurship development in Benue State

Table8: Test Statistic of the Mean Rating Response of the Effect of Microfinance Banks Services on Entrepreneurship Development. (N=171)

Respondents	Response	\bar{X}	SD	T-test	DF	P-value
Women entrepreneurs	SA	230.13	19.00	10.11	3	0.000
	A	321.25	18.72			
	SD	43.20	12.33			
	DA	15.01	12.03			
	N	1.18	02.13			

Source: Researcher's Computation using SPSS Version 21

From the above table, the following results were obtained (t-test=10.11, df=3, p=0.000). Since the significant p-value is less than 0.05 which is the acceptance level of significance. The null hypothesis which states that microfinance banks services has no significant effect to entrepreneurship development in Benue State is rejected and the alternate accepted. It is therefore concluded that microfinance services to credit has a significant effect on entrepreneurship development.

Discussion of Findings

Research question one and hypothesis one revealed that microfinance operational strategies have effect on entrepreneurship development. The result is consistent with the views of Salamatu (2008) who analyzed the impact of microfinance on firms and individual's wellbeing focusing on business performance and household income to establish a link between the availability of microfinance and overall wellbeing of the poor.

This is also in line with the study of Kimotha (2005) who carried out a study on the ability of microfinance to reach the poor and vulnerable, their study reveals that microfinance banks policies and strategies affect the poor and vulnerable.

Research question two and hypothesis two revealed that microfinance banks credit access has effect on entrepreneurship development. This is in line with the views of Akinyele (2005), in his own study on sustainable micro-entrepreneurship stated that about 90 percent of the people in developing countries lack access to financial services from institutions, either for credit or savings, which further fuels the vicious cycle of poverty; the result also agreed with that of Greg and Ghatak (2009) focused their article on 'the Effect of Microfinance Factors on Women Entrepreneurial Performance in Nigeria'.

They agreed that women play a crucial role in the economic development of their families and communities but certain obstacles such as poverty, unemployment, low household income and societal discrimination mostly in developing countries have hindered their effective performance of that role. They hypothesized that: credit access, savings, training and social capital are positively related to women entrepreneurs' performance in Nigeria, credit; credit, savings, training and social capital are positively related to opportunity for entrepreneurial activity of women entrepreneur in Nigeria.

Research question three and hypothesis three revealed that microfinance banks services has effect on entrepreneurship development. The result is in line with Akinyele (2005) carried out a research on 'Microfinance, Entrepreneurship and Rural Development: Empirical Evidence from Makueni District, Kenya', attempted to contribute to the debate on the relationship between microfinance and poverty reduction.

Her main objective is to find out under how the services provided by microfinance create jobs, and increases wage employment and higher incomes in the rural areas. This is equally in line with the views Adeyemi (2008) observed that a direct relationship exists between governmental privatization and entrepreneurship within a country and as a result, significant improvement has been made on the part of microfinance through their services to encourage privatization.

CONCLUSION AND RECOMMENDATIONS

CONCLUSION

Based on the findings of this study, it is pertinent to state here that microfinance banks are pivotal tool for national development. Hence, the economy at large and the government in particular are looking for measures to ensure that her citizens are self-reliance. The surest way to improve participation of women entrepreneurs in the society is to ensure that the interest rate on loan is reduce, and interest on savings be increase.

There is no doubt that women entrepreneurs in the state have improved over the recent time, and their impact to the state development have been felt. Conclusively, the findings of the study equally reviews that microfinance banks operational strategies, banking policies, access to credit and service delivery has effect on the entrepreneurship development in the state.

RECOMMENDATIONS

In view of the findings of this study, the following recommendations are made:

1. Microfinance banks should encourage women entrepreneurs in the state to apply for soft loans with ease and certain concessions.
2. The interest rate on loans by the banks should be reduced to encourage savings and investment among women in the state.
3. Government should collaborate with community leaders and microfinance banks to ensure that loans given to women entrepreneurs are properly utilized.
4. Adequate training should be given to the women entrepreneurs on resource and return management.

REFERENCES

- Adeusi, S.O. (2005).The Impact of Microfinance on Entrepreneurial Development in Nigeria.*Finance of Micro, Small & Medium Scale Enterprise in Nigeria* (12):190 – 221.
- Adeyemi K. S. (2008). Institutional reform for efficient microfinance operations in Nigeria. *CBN Bullion* 32(1):26-34.
- Akinyele, O. (2005): "Poverty, Malnutrition and the Public Health Dilemma of Disease". University of Ibadan Postgraduate School Interdisciplinary.
- Alani, G. O. &Sani, J. (2014).Effects of Microfinance Banks on the Rural Dwellers in Kogi State, Nigeria. *International Journal of Public Administration and Management Research (IJPAMR)*, 2(2):66-79.
- Anyanwu, C. M. (2004): Microfinance Institutions in Nigeria: Policy, Practice and Potentials Paper Presented at the G24 Workshop on "Constraints to Growth in Sub Saharan Africa," Pretoria, South Africa.
- Babajide, A. A. (2011). *Effects of Micro-financing on Micro and small enterprises in Southwest Nigeria*. PhD thesis submitted to the department of banking and finance, college of development studies, Covenant University, Ota, Nigeria.
- Center for Women's Business Research.(2002). *New Analysis Documents Employment and Revenue Distribution of Women-Owned Firms in 2002.*, August 27. www.womensbusinessresearch.org.
- Central Bank of Nigeria (2004), *Draft National Microfinance Policy and Regulatory Guidelines for Nigeria*.<<<http://www.cenbank.org/OUT/PUBLICATION/DRAFT/DFD/2005/MICROFINANCE%20POLICY.PDF>>>.Accessed on June. 18, 2007.
- Chima, K.O. (2012). *An evaluation of the impact of micro finance banks on the beneficiaries: a case study of Kaduna state*. A thesis submitted to school of Postgraduate Studies, Ahmadu Bello University Zaria in the Department of Economics. Pp 1-12.
- Ehigiamusoe, G. (2005); *Tested Institutional practices for effective Microfinance Service Delivery, Proceedings of Seminar on Microfinance Policy, Regulatory and Supervisory Framework for Nigeria*. Organized by Central Bank of Nigeria, Abuja,(February 2005).
- Greg and Ghatak, M (1999). Group Lending, Local Information and Peer Selection. *Journal of Development Economics*, 60(1): 27–50.
- Hanson, S. (2009). Gender and entrepreneurial networks. *Regional Studies*, 43(1): 135– 149.
- Kimotho M. (2005): "National Microfinance Policy Framework and Expected Impact on The Microfinance Market In Nigeria"

- Klaus, S. (2010): Global Competitiveness Index Report 2010-2011 *World Economic Forum Geneva, Switzerland*.
- Lemo, T. (2006); "Transforming the Nigerian Economy through Microfinance Initiative", National Workshop on Empowerment through Microfinance, organised by National Directorate of Employment at Lokoja, Nigeria. (June 2006) P. 1.
- Nigeria Investment Promotion Council (2001). Carpenter, C., (2001). Making small Business Finance Profitable in Nigeria - SME finance in Nigeria. <http://www.nipc.gov.ng/paperpresentation.html> Accessed on March. 18, 2007.
- Nigerian Institute Of Social And Economic Research (NISER) (2004), *Baseline Economic Survey of Small And Medium Scale Industries In Nigeria, National Synthesis Final Report; Survey of Existing Small And Medium Industries Part A (Chapters 14)*, SUBMITTED To Implementation Committee On Baseline Economic Survey of SMIs In Nigeria.
- Ojo, J. A. T. (2003). Partnership and Strategic Alliance Effective SME Development. Small and Medium Enterprises Development and SMIEIS: Effective Implementation Strategies; CIBN Press Ltd, Lagos, 185-212.
- Osemeke, M. (2012). Entrepreneurial Development and Interventionist Agencies in Nigeria *International Journal of Business and Social Science* Vol. 3 No. 8
- Rwelamila, P.D., Nchimbi, M. and Masoud, M. (2014). Review of Theory and Practice Literature on Women Entrepreneurship in the Tanzanian Construction Industry: Establishing the Missing Link. *Journal of Construction in Developing Countries*, 19(2), 75-85.
- Salamatu, I. I (2008): Inequality, Poverty and Living Standards in Kaduna State: An Implication for Development, *Economic Update a bi-annual publication of the Department of Economic A.B.U Zaria*.
- Singh, R. (2012). Women Entrepreneurship Issues, Challenges and Empowerment through Self Help Groups: An Overview of Himachal Pradesh. *International Journal of Democratic and Development Studies (Ijdds)*, 1(1): 45-58.
- UNIDO (2001). *Women Entrepreneurship Development in Selected African Countries*. Working Paper No.7. Legos.
- Wangle, M.A. (2009). *Perceptions of traits of women in construction*. MSc diss. University of Florida.
- World Bank (2007). *Doing Business: How to Reform*. Washington, D.C.: The International Bank for Reconstruction and Development / The World Bank.
- World Bank, (2007): *World Bank Doing Business Journal*.
- Worrall, L., Harris, K., Thomas, A., Stewart, R., Jessop, S. and Platten, A. (2008). Organisational cultures: Retention and progression barriers to women in the UK construction industry. *International Journal of Communities*, 8(3): 31-40.
- Wube M.C. (2010). *Factors affecting the Performance of Women Entrepreneurs in Micro and Small Enterprises (The Case Of Dessie Town)* A Master of Arts thesis submitted to Department of Educational Planning and Management, Bahirdar University.