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**MICROFINANCE AS A TOOL FOR DEVELOPMENT AND POVERTY ALLEVIATION  
FOR RURAL WOMEN IN NASARAWA STATE, NIGERIA**

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**ABSTRACT**

Microfinance is the provision of small loans to poor entrepreneurs, especially women who in most cases, lack access to funds while development typically involves improvements in a variety of indicators such as literacy rates, life expectancy, and poverty rates. This study, examined women's economic situations concerning their satisfaction and challenges with microfinance loan as a tool for poverty alleviation and economic development using two microfinance banks in Nasarawa state Nigeria which are LAPO mfb Keffi and Nasarawa mfb in Nasarawa town. For the in-depth interview 5 respondents were randomly selected from the beneficiaries and 4 management staff from two microfinance banks and the same for the case study. Measurement of women empowerment adopted a modified version of Gender empowerment measurement questionnaire (GEMQ). The questionnaire was drawn based on 5-point objectives with 90 item statements which centered on causes, roles, experiences and challenges of women beneficiaries of microfinance loan administered to 340 respondents. The analysis of data obtained through the quantitative method will be done using the Statistical Package for Social Sciences (SPSS) software, while the qualitative data obtained through the in-depth interview and case study were analysed using content analysis and descriptive methods. On the basis of the outcomes, conclusion was drawn showing evidences of poverty alleviations in the lives of poor rural women in improved livelihood, boost in self-esteem and participation in rural development due to economic turnaround. Improvement in rural literacy, policy review on microfinance policies to capture more rural women, and rural infrastructure were among the recommendations made that will enhance the economic lives of rural women to be more participatory in rural development for better outcomes in the future

**Keywords:** Microfinance, Development, Poverty alleviation, rural women.

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**INTRODUCTION**

In Nigeria, microfinance is a form of social capital and known with different names to the three major tribes as Susu (Igbo) ajo (Yoruba) and adashi (Hausa). As a development tool, it was used by the modern microfinance pioneer Muhammad Yunus, to alleviate poverty for women in Bangladesh as a form of women empowerment.

Development is not an isolated activity and it implies progress from a lower state to a preferred higher one (Olopoenia 1983; Pradip 1984). Development is a process by which people are awakened to opportunities within their reach. Development, therefore, starts with people and progresses through them (Seer 1981; Gwanya 1989). About 55% of women live in Nigeria's communal areas where they constitute almost 60% of the farmers and provide approximately 70% of the labour essential for food security (Martin 2001). This is the reason why rural women should be involved in development initiatives, because they are the most marginalized group of people in the country and they are the people contributing to the production of about 70% of food consumed in rural areas (Hunger Project 1999).

Successive governments in Nigeria have made efforts to eradicate extreme poverty among women through a number of programmes and incentives however, large number of women remain in extreme poverty (Onwuka et al, 2019). To tackle rural poverty, the Nigerian government has implemented various programs since independence. They include the Operation Feed the Nation (OFN), Green Revolution Program, Better Life for Rural Women, Family Support Program in the 1980s, National Poverty Eradication Programme, Youth Empowerment Scheme (YES), Rural Infrastructure Development Scheme (RIDS), Social Welfare Service Scheme (SOWESS) and Natural Resources Development and Conservative Scheme (NRDCS) in the 90s and recently, the IFAD Assisted Livelihood Improvement Family Enterprise (LIFE). Most of these government programs are focused on agriculture and monetary support to individuals for trading without putting into consideration the gender dimension of poverty. Gender inequalities in terms of ownership and rights continue to worsen the poverty condition of rural women (ODI, 2014; Campos et al, 2018).

In Nigeria today, where abject poverty have spread across the nation, it can only be more excruciating for women to access some common basic things such as good drinking water, food, toiletries, housing, employment, cooking utensils, drugs and medical attention, and other socio-psychological requirements that are needed for average quality living. Irobi (2008) investigated microfinance and poverty alleviation Nigeria, this study was employed. While James at ell (2011), examined the impact of microfinance on poverty alleviation in Nigeria: An Empirical Investigation. His study found the microfinance intervention has a positive impact on alleviation of poverty among the women of this association. Interestingly, this study found that most women in this association experienced increased income and therefore, improved their economic status, political and social conditions after receiving the loans.

In the contrast, according to Provident & Zacharia (2008), investigated critical look at the role of microfinance banks in poverty reduction in Tanzania. The main findings of their study showed that majority of the poor do not access microfinance services loans because they lack guarantors, assets,

businesses, salaried employment, savings account in banks, ability to make pre-loan weekly deposit on Special Savings Account which are required as collateral. On the other hand According to Muhammad (2010) focus on the challenges and opportunities face microfinance sector in Pakistan, his study resulted that numerous challenges are ahead of microfinance sector like improper regulations, increasing competition, the rapid increase in poverty in Pakistan, along with other opportunities, is paving way for the growth of this sector and offering a huge market potential for microfinance.

Yet, some level of socioeconomic and psychological stability would be required by women for them to be able to effectively do their expected role to the society Matthews (2002). But given their present situation of both absolute and relative poverty in the country, women can only do little to nothing both to themselves and to the society. When women lag behind in their expected positive role as it is the case of Nigeria today, the society suffers greatly in terms of achieving profound peace, order, stability, growth and sustainable development. That is why this study focused on the use of microfinance banks on development and poverty alleviation of the rural women in Nigeria.

### **The Statement of Problem**

Poverty alleviation is a huge task facing Nigerian government. The incidence, depth, and severity of poverty among females are such that poverty reduction strategies are synonymous with economic growth and development strategies. The Nigerian Government's National Economic Empowerment and Development Strategy (NEEDS) outlines policies and strategies designed to promote economic growth. The Seven-Point Agenda for Food Security and Poverty Alleviation complements and adds to the national strategy for poverty reduction. NEEDS, a federal strategy, is complemented by equivalent approaches at the state level (the State Economic Empowerment and Development Strategy, or SEEDS) and the local level (the Local Government Economic Empowerment and Development Strategy, or LEEDS).

The main goal of NEEDS is reduction of poverty. The government is particularly concerned about worsening rural poverty and the marginalization of women. The current strategy for the protection of poor rural people includes efforts to strengthen access to micro-credit and land, participation in decision-making, access to agricultural extension services, access to improved farm. The proportion of rural population living below poverty line stood at 72% and it is well pronounced among female-headed households and household size is positively and significantly related to poverty. Less than 20% of the women own their own farmlands and less than 5% have access to agricultural credits to enhance productivity and income (Anyanwu, 2010; Oladebo, 2012). Meeting the most basic needs by poor households is a tedious daily struggle, and they lack productive resources like land or other income earning assets. Women's poverty has caught the attention of Dr Akinwumi Adesina, President of African Development Bank (AfDB), who recently appealed to men who marry underage girls to marry women whose ages complement theirs. According to him, child marriage situation has led to a vicious cycle of poverty and dependence for millions of women and girls on the African continent.

Official statistics of national bureau of statistics (NBS, 2020) has shown that the national average poverty

incidence in Nigeria was 28.1 percent of the population. Hence, the increasing incidence of poverty, both within and among locations, was in spite of various resources and efforts exerted on poverty-related programmes and scheme in the state, thus suggesting that the programmes and schemes were ineffective and ineffectual. In the light of the present government's deep concern for the widespread and scourging poverty, this paper reviews initiatives at poverty alleviation in Nasarawa state Nigeria using two microfinance banks in two local government areas in Nasarawa state (Nasarawa and keffi LGAs) and examines the role of modern microfinance banks as regards poverty alleviation especially in the lives of rural women.

### **Objectives of Study**

1. To examine the factors that causes women's poverty in rural areas
2. To analyze the role of microfinance banks in poverty alleviation.
3. To ascertain the level of satisfaction for women's poverty alleviation
4. To investigate the challenges of using microfinance in alleviating rural poverty.

### **Review of Related Literature**

Rural women have an important role to play in economy, it is important to review some literature related to women and development. This review provides an idea of the involvement of women in development in developing countries. Women's involvement in development, suggests that ongoing studies have not yet resulted in specific solutions to rural women and their inclusion and participation in development (Robinson 2004).

### **Causes of rural poverty**

Rural poverty accounts for nearly 63 percent of poverty worldwide, reaching 90 percent in some countries like Bangladesh and between 65 and 90 percent in sub-Saharan Africa. In fact, much of urban poverty is created by the rural poor's efforts to get out of poverty by moving to cities. Distorted government policies, such as penalizing the agriculture sector and neglecting rural (social and physical) infrastructure, have been major contributors to both rural and urban poverty.

The impact of development on rural women differs from that of women in urban areas. Substantial evidence suggests that rural women have been consistently neglected in this process (Meer 1998). There is also overwhelming evidence that development policies and projects were formulated without the involvement of rural women in most African countries (Hunger Project 2000). The majority of population in developing countries lives in rural areas, where they play the role of food producers. Women in rural areas can also contribute to development in the same manner as those in urban areas, if they are initiated and guided in the development processes of their choice (Cartledge 1995).

The links between poverty, economic growth, and income distribution have been studied quite extensively in recent literature on economic development and findings show that absolute poverty can be alleviated if at least the causes of poverty were tackled which will be geared towards economic growth.

### **The Poverty alleviation paradigm**

Here the main considerations are poverty reduction among the poorest, increased well-being and community development. The focus is on small savings and loan provision for consumption and production, group formation. This paradigm justifies some level of subsidy for programmes working with particular client groups or in particular contexts. Some programmes have developed effective methodologies for poverty targeting and/or operating in remote areas. Gender lobbies in this context have argued for targeting women, because of higher levels of female poverty and because of women's responsibility for household well-being. Poverty alleviation and women's empowerment are seen as two sides of the same coin. The assumption is that increasing women's access to micro-finance (together with other interventions to improve household well-being) will in itself increase. Despite efforts of governments, NGOs, International Organisations and private actors, the world is not on track to achieve the target of less than 3 percent of the world living in extreme poverty as envisioned by the UN 2030 agenda (Moyer & Hedden, 2020).

### **Women and Development Related Work**

Women in the United States work at home and outside home on an average of 6 hours per day, while in most African rural area's women work an average of 12 to 18 hours per day compared to an average of 8 to 12 hours of work per day by men (Buvinic et al,1978). A lack of education deprives women from being productive in the rural areas. This can be attributed to the fact that they will remain ignorant of ways and means of increasing production on the farm (Kelly 1987a). Cultural values, as well as the economic realities of limited family resources and employment opportunities for women, which in the past have inhibited girls' entry into primary and secondary education may now be prominent factors inhibiting Nigerian women from entering university (Biralma, 1987).

The role of rural women is not only central to social advancement but also to economic progress in their respective countries. For instance, rural women in Lesotho worked almost 90% of road-work under the "Food-for-work" programme, while rural women in Gabon and Tanzania remarkably worked almost 200 days during in 1994. Comparatively, men worked only about 1,800 hours while rural women performed 2,600 hours in agriculture during the same year. These statistics revealed that rural women in these countries worked harder than others (Sneyder & Tadesa 1995).

Nigeria established better life for rural women policy during the then Gen. Babangida's government which was spearheaded by his late wife Mariam Babangida in a bid to alleviate the plight of the rural women in Nigeria but it came to an end abruptly following misappropriation of funds.

### **The Better Life for rural women Program (BLP)**

The Better Life Program (BLP) was set up to enhance the quality of life of rural women, among other objectives. Poverty in Nigeria is a rural phenomenon and the rural women are worst hit by the dreadful

malady of poverty; this is due to lack of basic skills and education necessary for gainful employment. The targeting of women in the fight against poverty will no doubt reduce significantly aggregate level of poverty in the country.

The Better Life Program, therefore, tried to harness the potentials of rural women and thereby impacted positively on their economic activities and incomes. The BLP improved the quality of life of many women through the distribution of various inputs, granting of easy credits, and the establishment of various educational/enlightenment programs. Based on available evidence, Ogwumike (1995) concluded that the BLP made tremendous impact with regard to poverty alleviation. In specific terms, the achievements of BLP include the following: formation of 11,373 women cooperatives by 1993; the establishment of 3,613 processing mills as well as the distribution of farms inputs such as fertilizer to women who ordinarily would not have had access to such inputs though they carry out the bulk agricultural activities. However, the success of the program was short lived. The program was not only hijacked by position seeking individuals but the resources set for the program were diverted and used for personal enrichment.

### **Reasons for investigating rural women**

Rural women tend to suffer far more than rural men. Their poverty and low social status in most societies is a major contributor to chronic poverty. Substantial evidence from many countries shows that focusing on the needs and poverty alleviation of women is one of the keys to human development. To understand poverty creation in rural areas and its effects on women, we need to look at the assets that the poor women own or to which they have access, and their links to the economy.

There are valid reasons to focus on and to emphasize rural women's involvement in development process. The fundamental reason is that they play crucial roles in both subsistence and market food production in Africa. Not only are they considered to be harder workers than the average man but also because they are more reliable and committed to their tasks. Hunger Project (2000) found that women constitute the majority in rural areas in Africa; they are also responsible for more than 50% of all productive activities, including those households where men are present. In many rural areas of LDCs, deforestation, loss of soil fertility, low productivity and poor living standards have been characterized as the features of these areas. All these have detrimental effects on the well-being of rural women (Burkey, 1993).

Therefore, overlooking the plight of rural women will negatively impact on the development of rural areas and that of the nation. To this end, there is a need to reverse this negative trend of approach to development by retrieving and revising the potential for involvement by rural women (Buvinic et al, 1978). Equally important is the fact that those who are not in crisis are often the beneficiaries of development efforts, whereas those entrapped in poverty remain exactly where they are with no hope of release (Van Rooyen et al, 1993).

### **Challenges faced by rural women**

Rural women are concentrated in low-skilled, lowproductivity, and low or unpaid jobs with long working



hours, poor working conditions and limited social protection. They are more likely to work as unpaid family members; hence their work is largely unrecognized or undervalued. They are most active in the informal rural economy and are far less likely than men to participate in rural wage employment (both agricultural and non-agricultural). When they do work for wages, rural women are more likely to be employed in part-time, seasonal, and time- and labour-intensive activities. ILO (2019) noted that less than 20 per cent of landholders worldwide are women. In rural areas the gender pay gap is as high as 40 per cent.

### **Low access to forces of production**

Rural women have less access than men to productive resources. The gender gap exists for many assets and services, including land, improved seeds and fertilizers, livestock, extension and financial services. Women also have fewer opportunities for education and training, potentially limiting them from adopting new technologies as readily as men. If women had the same access as men to resources, agricultural output in developing countries would increase between 2.5 and 4% and the number of undernourished people in the world would decrease by approximately 12–17% (FAO, 2011).

### **Unpaid labour of rural women**

Rural women shoulder a disproportionate amount of unpaid care and household work, which is neither recognized nor remunerated. They undertake multiple roles including caring for children and the elderly, cooking, as well as collecting firewood and water, and working on farms or family enterprises. When working as they often do as contributing family members and subsistence farmers Gammarano (2020) found that rural women receive no income for their labour. When they are in paid employment, the tasks they undertake in agriculture or on plantations are often undervalued. Women are paid less than men even for the same tasks. Many rural women also do not have the same opportunity as men to obtain work that attracts higher levels of pay. When paid and unpaid working hours are combined, women work much longer hours compared to men.

### **High risk of Abuse**

Rural women are at high risk of abuse, sexual harassment and other forms of gender-based violence. The heightened risks are due to factors such as gender power imbalances, a lack of oversight, and working alone in relative isolation or in remote locations.

### **Climate change Threat**

Climate change threatens to exacerbate rural women's vulnerability to discrimination, exclusion and exploitation. Women in rural areas are highly dependent on local natural resources for their livelihood. With climate change, women's already unequal access to productive assets is further impacted. Indigenous and tribal women are disproportionately affected.

### **Under-representation of women in policy making**

Rural women are under-represented in institutions, governance and leadership, and have less decision-

making power. All groups of the rural poor are vulnerable to serious risk owing to changes in weather, health, markets, investment, and public policy. The resulting fluctuations in the prices and quantities of their assets and of what they produce can either deepen their poverty or give them opportunities to escape from it. The main reason is that the rural poor have a very low capacity to absorb abrupt financial shocks. In addition, economic crises and natural disasters can bring about sharp increases in poverty and make it more difficult for the poor to escape it ILO (2019).

### **Theoretical Framework**

Studies on diffusion theory have shown strong influence of the awareness of idea and innovation by a member of the community in which it spreads to all other members of such community. The sociological theory of diffusion by Strang and Soule (1998) depicts an application to the development of rural areas through self-help projects by the process of social contract through spatial ranges and dimension and field of influence. Through community unions and association in most cases, the expansion and diffusion process is most applicable in development of rural areas through self-help projects in which ideas, innovation and communication spread spatially and temporarily until increasing members of individuals in the society become aware of the need for self-help project, like the microfinance for development of women in rural areas. Also is the influence of distance on diffusion process shows that a further away member of the society may not be aware of the innovation or ideas from the source on time unlike someone else to the source.

### **The study Area**

Nasarawa state was created in 1st October, 1996, carved out of the old Plateau state and has a population of 2 million according to 2006 census. The state is situated in the North Central Geo-political Zone of Nigeria also known as the middle belt region. Nasarawa State has a total land area of 27,137.8sqkm and it shares borders in the west by the Federal Capital Territory Abuja, in north by Kaduna State, in south by Benue and Kogi State, and in the east by Plateau and Taraba States. Nasarawa's main economic activity is agriculture; cash crops such as yam, cassava and egusi (melon). Production of minerals such as salt is also another major economic activity in the state; Nasarawa produces a large proportion of the salt consumed in the country.

### **Study Population**

The target population for this study is mostly rural women from microfinance loans for their businesses in other to improve their standard of living. The study population for this study is one thousand one hundred and fifty seven (1,157) as follows for each microfinance bank, Nasarawa Mfb, six hundred and eighty five (685), Lift above poverty organization (LAPO) four hundred and seventy two (472). The Sample size: is four hundred (400).

Results and Findings: Out of the 400 questionnaires distributed to the two microfinance banks, three hundred and forty (340) was valid.



**Table 1 Socio-demographic Characteristics**

<b>Demographic variable</b>	<b>Groups</b>	<b>Nasarawa MFB</b>	<b>LAPO MFB</b>
<b>Age</b>	<b>18-27</b>	38 (16.0%)	39 (38.2%)
	<b>28-37</b>	69 (29.0%)	40 (39.2%)
	<b>38-47</b>	77 (32.4%)	23 (22.5%)
	<b>48 and above</b>	54 (22.7%)	0 (0.0%)
	<b>Total</b>	<b>238 (100.0%)</b>	<b>102 (100.0%)</b>
<b>Educational Attainment</b>	<b>No formal</b>	74 (31.1%)	18 (17.6%)
	<b>Primary</b>	44 (18.5%)	11 (10.8%)
	<b>Secondary</b>	33 (13.9%)	9 (8.8%)
	<b>Tertiary</b>	87 (36.6%)	64 (62.7%)
	<b>Total</b>	<b>238 (100.0%)</b>	<b>102 (100.0%)</b>
<b>Marital Status</b>	<b>Single</b>	54 (22.7%)	45 (44.1%)
	<b>Married</b>	136 (57.1%)	54 (52.9%)
	<b>Divorced/Separated</b>	46 (19.3%)	3 (2.9%)
	<b>Widowed</b>	2 (0.8%)	0 (0.0%)
	<b>Total</b>	<b>238 (100.0%)</b>	<b>102 (100.0%)</b>
<b>Religion</b>	<b>Christianity</b>	110 (46.2%)	35 (34.3%)
	<b>Islam</b>	111 (46.6%)	56 (54.9%)
	<b>Traditional</b>	17 (7.2%)	11 (10.8%)
	<b>Total</b>	<b>238 (100.0%)</b>	<b>102 (100.0%)</b>
<b>Number of Children</b>	<b>0-3</b>	83 (34.9%)	47 (46.1%)
	<b>4-6</b>	97 (40.8%)	41 (40.2%)
	<b>7 and above</b>	58 (24.4%)	14 (13.7%)
	<b>Total</b>	<b>238 (100.0%)</b>	<b>102 (100.0%)</b>

The table above shows the socio-demographic background of the respondents. Among those who make use of NMFB, about one-third of them are in the age group of 38-47 while those who are 28-37 years constitute 29 percent of the respondents. For customers of the LAPO MFB, many of them are within the 28-37 age-group which is then followed by those who are in the 18-27 age-group. About 37 percent of the respondents who make use of NMFB, have tertiary education as their highest educational attainment while 31 percent of them do not have any formal education. More than half of the respondents who make use of LAPO MFB have tertiary education as their highest educational attainment while about 18 percent do not have any form of formal education. Approximately 57 percent of the respondents who make use of NMFB are married while about 23 percent are single. Also, more than half of LAPO MFB customers are married while about two-fifth of the respondents are single.

For NMFB customers, there is only a 4-percentage point difference in their religious affiliations (Islam =

46.6% and Christianity = 46.2%). The adherent of the Islamic faith constitutes more than half of the LAPO MFB customers while more than one-third of the respondents are of the Christian faith. The users of NMFB who have between 4 and 6 children have the highest prevalence rate (40.8%). About one-third (34.9%) of the NMFB respondents have between 0 and 3 children while about one-quarter have 7 and above children. In the case of the LAPO MFB respondents, many of them have between 0 and 3 children (46.1%) which is followed by 40 percent who have between 4 and 6 children. Only 14 percent of LAPO MFB respondents have more than 6 children.

**Table 2 Occupation/Monthly income**

<b>Demographic variable</b>	<b>Groups</b>	<b>NASARAWA MFB</b>	<b>LAPO MFB</b>
<b>Occupation</b>	<b>Civil/Public Servant</b>	88 (37.0%)	52 (51.0%)
	<b>Petty Trading</b>	88 (37.0%)	24 (23.5%)
	<b>Farming</b>	49 (20.6%)	21 (20.6%)
	<b>Artisan</b>	13 (5.5%)	5 (4.9%)
	<b>Total</b>	<b>238 (100.0%)</b>	<b>102 (100.0%)</b>
<b>Income per month</b>	<b>Less than N10,000</b>	51 (21.4%)	19 (18.6%)
	<b>N11,000 – N20,000</b>	82 (34.5%)	31 (30.4%)
	<b>N21,000 – N39,000</b>	19 (8.0%)	16 (15.7%)
	<b>N40,000 – N49,000</b>	12 (5.0%)	2 (2.0%)
	<b>N50,000 – N69,000</b>	24 (10.1%)	20 (19.6%)
	<b>N70,000 – N80,000</b>	37 (15.5%)	8 (7.8%)
	<b>N81,000 and above</b>	13 (5.5%)	6 (5.9%)
	<b>Total</b>	<b>238 (100.0%)</b>	<b>102 (100.0%)</b>

The socio-economic table above describes the occupation of the respondents as well as their monthly income. Customers of NMFB who are civil/public servants or petty traders constitute 37 percent of the respondents respectively. Farmers are about one-fifth while artisans make up of just 6 percent of the respondents. For users of LMFB, more than half of them are civil/public servants while about one-quarter are engaged in petty trading. Farmers are also about one-fifth among the LMFB customer base while only 5 percent are artisans.

More than one-third of the respondents who make use of NMFB earn between N11, 000 and N20, 000 while approximately 21 percent have N10, 000 or less as their monthly income. About 16 percent of the respondents earn between N70,000 and N80,000 while one-tenth of them earn between N50,000 and N69,000. For respondents who make use of LMFB, about 30 percent of them earn between N11,000 and N20,000 while approximately one-fifth of them earn between N50,000 and N69,000. Those who earn N10,000 or less are about 19 percent while approximately 16 percent earn between N21,000 and N39,000.

**Table 3 Amount of loan/Duration of years for the loan**

Amount benefited	Duration	No. of times	NASARAWA MFB		LAPO MFB	
			N	%	N	%
30,000-60,000	7yrs	8 times	69	29.0	20	19.6
70,000-100,000	6yrs	7 times	51	21.4	36	35.3
110,000-130,000	5yrs	6 times	25	10.5	15	14.7
140,000-170,000	4yrs	5 times	39	16.4	10	9.8
180,000-210,000	3yrs	4 times	45	18.9	13	12.7
220,000-250,000	2yrs	3 times	9	3.8	6	5.9
260 and above	1 yr.	Twice	0	0.0	2	2.0
Total			238	100%	102	100%

The table shows that the amount range respondents benefitted as loan. Starting from the least amount with NMFB, 29 percent of respondents benefitted between the sum of N30, 000 and 70,000 while 21 percent were able to access loan of between N70, 000 and N100,000. Approximately 11 percent have secured loan of amount between N110, 000 and N130, 000 while 16 percent have access to loan of N180, 000-N210, 000. About one-fifth of the respondents have benefitted from NMFB by accessing loan of N220,000 and N250,000 while N260,000 benefactors are 4 percent.

For respondents who make use of LMFB, approximately 20 percent of them accessed loan of between N30,000 and N60,000 while more than one-third (35.3%) accessed loan of N70,000-N100,000. Respondents who accessed loan of between N110, 000 and N130, 000 are about 15 percent and 10 percent benefitted from the loan service of between N140, 000 and N170,000. About 13 percent of respondents with LMFB accessed loan of N180,000 and N210,000 while only 6 percent benefitted by getting loan of between N220,000 and N250,000. Just 2 percent got a loan of N260,000 or more.

**Table 4 Causes of women’s poverty in rural areas**

Dimensions	Nasarawa MFB 238		LAPO MFB 102	
	F	%	F	%
Poor living Standard	46	19.0	10	9.0
Unemployment	28	12.0	17	16.0
Illiteracy	42	18.0	16	15.0
Poor health	22	9.2	10	9.0
Poor Nutrition	28	12.0	12	11.0
Inadequate sanitation	22	9.0	16	15.0
Access to financial services	50	21.0	21	20.0

This table shows that the highest cause of rural poverty among women has to do with limited access to financial services in Nmfb (21.0%) and 20.0% in Lmfb. This was followed by poor living standard which was 19.0% in Nmfb and 9.0% in Lmfb. Illiteracy was also a known factor with 18.0% in Nmfb and 15.0% in Lmfb. Poor nutrition was at 12.0% in Nmfb and 11.0% in Lmfb invariably causes poor health with 9.2% in Nmfb and 9.0% in Lmfb. The gap caused by limited access to financial services was bridged by microfinance banks which was depicted in the next table.

**Table 5 Loan assisted their businesses**

Loan assisted their Business	NASARAWA MFB		LAPO MFB	
	N	%	N	%
Yes	235	98.7	100	98.0
No	3	1.3	2	2.0
<b>Total</b>	<b>238</b>	<b>100%</b>	<b>102</b>	<b>100%</b>

The table above shows the opinion of the respondents about the benefit enjoyed in accessing MFB loans. For respondents who use Nasarawa MFB, almost all of them (98.7%) opined that the loan assisted them in their businesses while 98 percent of respondents who use LAPO MFB also reported the same view.

**Table 6 Improved Economic Condition**

Improved Economic Condition	PEACE MFB		LAPO MFB	
	N	%	N	%
Yes	215	90.3	102	100.0
No	23	9.7	0	0.0
<b>Total</b>	<b>238</b>	<b>100%</b>	<b>102</b>	<b>100%</b>

The table above shows the opinion on the improvement of economic contribution as a result of the loan to the families of the respondents. Among respondents who use NMFB, majority (90.3%) of the beneficiaries indicated that there is an improvement in their economic contributions to their families while all respondents who access loans from LMFB share the same sentiment.

**Table 7 Getting involved in community Development**

Involvement in Community Development	NASARAWA MFB		LAPO MFB	
	N	%	N	%
Yes	165	69.3	90	88.2
No	73	30.7	12	11.8
<b>Total</b>	<b>238</b>	<b>100%</b>	<b>102</b>	<b>100%</b>

The table above describes the involvement in community development as a result of access to loans from MFBs. Almost 70 percent of the respondents who benefitted from the loan of NMFB reported that the loan has helped them to get involved with activities that will bring about development in the community. Approximately 88 percent of respondents who enjoyed loans from LMFB also stated that the loan has allowed them get involved in community development activities.

**Table 8 Respondents Participation in community development**

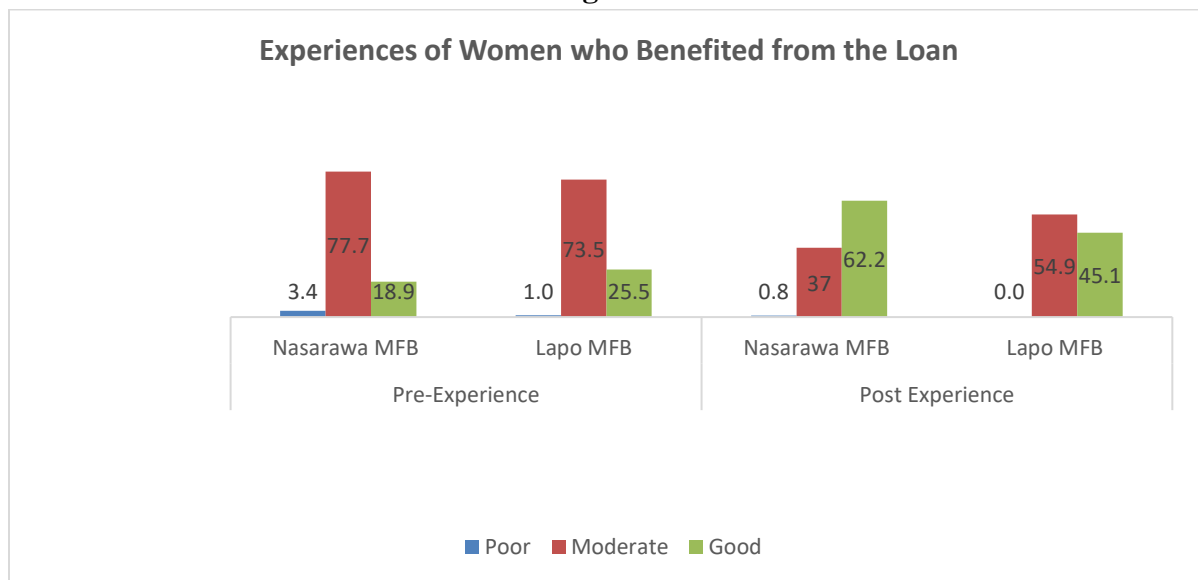
Community Development Involved in	NASARAWA MFB		LAPO MFB	
	N	%	N	%
Women co-operatives	65	27.3	27	26.5
Women in Association	47	19.6	6	5.9
Politics	13	5.5	0	0.0

Vocational/Training	14	5.9	6	5.9
Charity Organisation	38	16.0	9	8.8
Rural development projects	28	11.8	14	13.7
None	33	13.9	40	39.2
<b>Total</b>	<b>238</b>	<b>100%</b>	<b>102</b>	<b>100%</b>

The table above describes what activities the respondents are involved in towards community development. Most of the women who use NMFB are involved in women co-operative societies (27.3%) and other forms of women associations (19.6%). Sixteen percent (16%) of them are also involved in charity organizations while about 14 percent are not involved in any activity enhancing community development. Only about 6 percent of the respondents are involved in politics.

For respondents who use LMFB, about 40 percent of them do not get involved in any activity or organization aimed at community development. Approximately 27 percent of the beneficiaries of LMFB loans are in women co-operative societies while 14 percent are involved in rural development projects. None of the respondents are involved in politics while about 6 percent are in women associations or involved in vocational training respectively and they all interpreted their participation to these organisations as rural development initiatives capable of alleviating the poverty of the womenfolk.

**Figure 1**





**Table 9 Life of the respondents before poverty Alleviation**

STATEMENT	NASARAWA MFB N238		LAPO MFB N102	
	Yes	%	Yes	%
Poor Finances	205	76.7	94	79.6
Domestic Violence	63	23.5	29	24.5
Could hardly assist husband financially	108	45.0	46	11.0
Had a low self esteem	85	31.8	40	33.8
Poor Livelihood	164	61.0	78	66.0
Hardly contributes to household welfare	194	72.6	68	57.6
Hard life	181	67.7	83	70.0

Life before poverty alleviation was measured using a 5 point likert scale (strongly agree, agree, undecided, disagree and strongly disagree) whereby those that answered agree and strongly agree were added together to get a “yes” with seven indices ranging from poor finances 76.6% in Nmfb and 79.6% in Lmfb, domestic violence has the lowest percentage with 23.5% in Nmfb and 24.5% in Lmfb. Low self-esteem in Nmfb was high at 31.8 and higher in Lmfb with 33.8%. Hardly contributes to household welfare was also high with 72.6% in Nmfb and 57.6% in Lmfb. Hard life was 67.7% in Nmfb and 70.0% in Lmfb which comes in the forms of (poor housing, poor health, No school fees for wards).

However, the inability to assist their husbands financially was 45.0% in Nmfb and 52.5% in Lmfb which the researcher found to have produced feelings of helplessness among the women. Poor livelihood was equally high among the beneficiaries of the two microfinance banks. These findings showed that the respondents were unanimous in their lack and deprivation before the microfinance banks loan intervention.

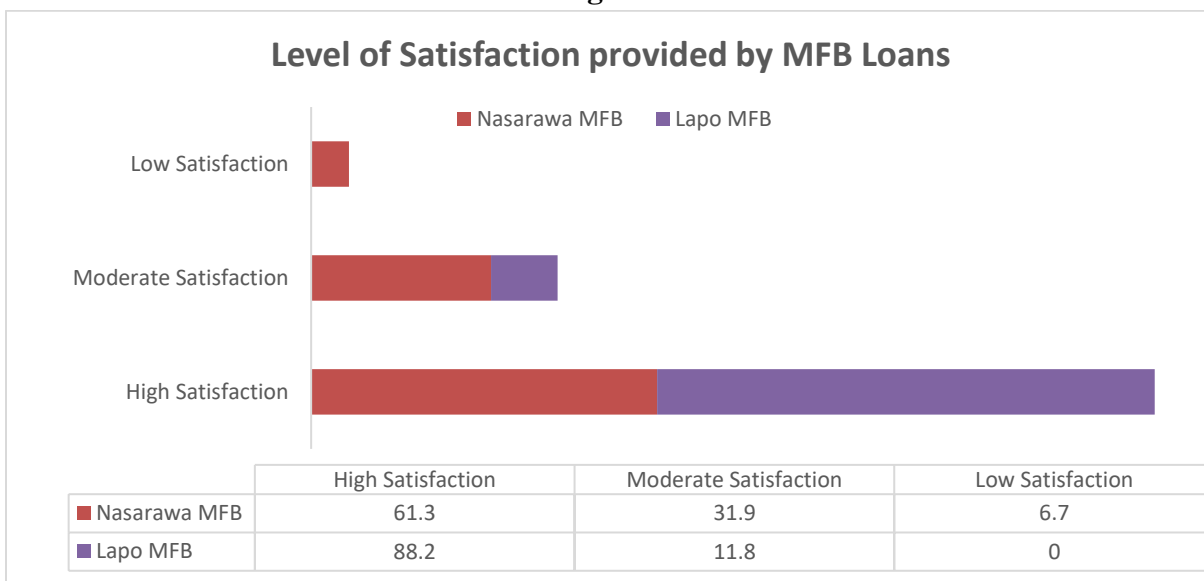
**Table 10 The role of microfinance in poverty alleviation**

STATEMENT	NASARAWA MFB		LAPO MFB	
	Yes	%	Yes	%
Improved Livelihood	230	97.0	106	92.0
Setting up better business	31	13.0	19	16.0
Economically empowered	232	97.0	115	96.6
Contributing to household welfare	231	97.0	110	90.0

Being Happier	222	93.0	116	98.0
Improved Health	220	92.0	114	96.0
Contributes to community development	199	84.0	96	81.0
Improved self-esteem, Respect from spouse and restored dignity	217	91.0	106	89.0
Bought a land	14	5.0	7	5.9
Bought a car	14	5.0	7	5.9

The satisfaction the women got from using microfinance loan was measured using a five point likert scale comprising (strongly agree, agree, undecided, strongly disagree) indices whereby data that captured “strongly agree and agree” were added together for each of the questions raised to get a “yes”. Beneficiaries show that improved livelihood topped the chart with 97.0% in Nmfb and in Lmfb 92.0% and this triggered being economically empowered 97.0% in Nmfb and 96.6% in Lmfb. This was followed by contributing to house hold welfare at 84.0% in Nmfb and 90.0% in Lmfb. Improved health was high at 92.0% in Nmfb and 96.0% in Lmfb. Being happier follows suite in Nmfb with 93.0% and 98.0% in Lmfb. However, contributing to community development had a high percentage of 84.0% in Nmfb and 81.0% in Lmfb while Improved self-esteem, respect from spouse and restored dignity equally had a high percentage of 91.0% in Nmfb and a sizeable 89.0% in Lmfb. The results of the poverty alleviation program lead to either the satisfaction or dis-satisfaction of the women who obtained the microfinance loan which was expressed in the graph below:

**Figure2**



**The use of microfinance in Poverty Alleviation for rural women**

Satisfaction with microfinance loans has been measured using a five point likert scale to ascertain its effect on poverty alleviation based on the following parameters;

**Economic empowerment:** The investment in women’s economic activities will improve employment opportunities for women and thus have a ‘trickle down and out’ effect. The financial sustainability and feminist empowerment paradigms emphasize women’s own income-generating activities. In the poverty alleviation paradigm, the emphasis is more on increasing incomes at the household level and the use of loans for consumption. In the feminist empowerment paradigm, individual economic empowerment is seen as dependent on social and political empowerment.

**Increased well-being:** access to savings and credit facilities and women’s decision about what is being done with savings and credit strengthens women’s say in economic decisions of the household. This enables women to increase expenditure on the well-being of themselves and their children. This is the main concern in the poverty alleviation paradigm. Women’s control over decision-making is also seen as benefitting men through preventing leakage of household income to unproductive and harmful. Other welfare interventions are advocated in addition to micro-finance, typically nutrition, health and literacy campaigns to further decrease vulnerability and improve women’s skills. In the financial self-sustainability and feminist empowerment paradigms, improved well-being is an assumed outcome from increasing women’s economic activities and incomes.

**Financial self-sustainability paradigm:**

Gender lobbies have been able to argue for targeting women on the grounds of high female repayment rates and contribution of women’s economic activity to economic growth. In this paradigm, it is assumed that increasing women’s access to micro-finance services will in itself lead to individual economic empowerment, well-being and social and political empowerment.

**Table 11 Challenges faced with the poverty Alleviation**

Challenges faced in loan repayment	NASARAWA MFB		LAPO MFB	
	N	%	N	%
Fear of loan default	48	44.5	37	70.6
Collateral	59	55.5	16	29.4
<b>Total</b>	<b>107</b>	<b>100%</b>	<b>53</b>	<b>100%</b>

The table above highlights the challenges the respondents faced in the repayment of the loan they benefited from. For NMFB, respondents who encountered challenges in repayment of their loan reported that fear of loan default and collateral were the challenges they faced (44.5% and 55.5% respectively). About 71 percent of respondents with LMFB reported that fear of defaulting loan was the challenge they faced while 29 percent reported that it was collateral Provision.

**Table 12 CASE STUDIES/IN-DEPTH INTERVIEWS**

<b>Pre-poverty Alleviation</b>	<b>Post-poverty Alleviation</b>
<p>I was not just poor; I was helpless and the future looked bleak without any hope before I got this loan. But so far, I have taken loan up to 6 times from Nasarawa microfinance bank and have been with them for 6 years. I got loan for each year I was with them to boost my business.</p>	<p>My finances have improved and my dignity restored. I now enjoy a healthy self-esteem because I have been economically empowered. Today I have been able to buy a land in a good neighborhood and build our house and that was a dream fulfillment.  <b>(CAS\Female\48Years\NMFB\2019)</b></p>
<p>I am a widow with 5 children and living in poverty in a slum before help came through the Nmfb loan with which i secured a beverage distributorship with the united African company (UAC) thereby changing my economic status.</p>	<p>I went from a confused poor and wretched woman to a happy, wealthy and fulfilled woman. I acknowledge that without the social and economic empowerment by the NMFB microfinance bank, someone with my social status will have no business enjoying economic empowerment nor training graduates.  <b>(CAS\Female\54Years\ NMFB\2019)</b></p>
<p>I had always been ambitious to contest for a political position to help improve the lives of the less privileged but with the kind of poverty I found myself, it looked impossible until LAPO Mfb came into my life and the rest was history</p>	<p>Though I didn't win but the opportunities I got in social relationships was enormous. My son got a place at the prestigious Nigerian defense academy. He is a captain in the Nigerian army today. That singular exposure availed me both social and economic empowerment.  <b>(CAS\Female\58years\LMFB\2019)</b></p>
<p>I once experienced all the challenges mentioned: from fear of loan default, collateral provision, business failure, poor sales to health challenge. The reason was because I was not doing the right thing as I was taught by my account officer.</p>	<p>During the repayment fear gripped me and then I became sick and was hospitalized which led to business failure because I did not have the money but they still exercised patience with me but my self-help women group came to my rescue and bailed me out but I learned my lesson in a hard way how not to divert my loan.  <b>(IDI\FEMALE\58\LMFB\2019)</b></p>
<p>There was a lot of domestic violence because of financial frustration. My husband had been jobless for a long time and the whole family was depending on my meager income from my petty</p>	<p>Microfinance loan turned things around for me and I was able to assist my husband to start a food stuff business which helped to put a stop to the domestic violence and turned around the fortune of my family for the better. It not only</p>

trading. House rent and school fees could not be paid.	brought respect from my husband; it equally restored my battered dignity. (IDI\Female\56Years\LMFB\29)
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## CONCLUSION AND RECOMMENDATIONS

The findings of this study have provided a good picture of possible causes of rural women's poverty and obscurity in the rural development process. Although they comprise the majority of the population in rural Nigeria, Involvement of rural women in economic activities at all levels is crucial for the economic advancement of women and the development of Nigeria. The economic role played by microfinance banks needs to be improved on by the stake holders because of its implications for rural the women and to any economic policy for their future. Such policies need to be adjusted in terms of the impact on rural women's employment, economic advancement and empowerment. Rural women need to be given incentives to start economic activities that improve their socio-economic conditions, hence the improvement in the microfinance sector.

The economic stakeholders need to be sensitised to the employment implications for rural women. Rural women need to be given incentives to start economic activities that improve their socio-economic conditions.

The study recommends that rural literacy to practically promote women's involvement in development should be formulated by the national machinery. This is crucial for their advancement on the one hand and on the other hand to cope with outstanding development issues that affects them. Perhaps this could be achieved through combined efforts between the Departments of Local government and Social Development, including structured co-operation and employment strategies or through the existing Women Affairs structures. These bodies should be equipped to work and effectively co-ordinate rural women's issues. Such structures should also network with community leaders; Non-Governmental Organisations and any other government agency that deals with women's issues such as community development, local planning and policies to assist women priorities their immediate development needs.

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