

Women and Micro Credit Financing in Nigeria: Implications for Poverty Alleviation and Fight Against Vulnerability*

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Abstract

As a typical sub-Sahara Africa (SSA), Nigeria represents one of the many paradoxes of development in which case the nation is rich (being one of the largest exporters of crude oil in the world) but her people are poor. Consistently, the Human Development Report (HDR) rates Nigeria as failing in all the indices of development, this is equally consistent with the increasing doubt on the ability of Nigeria to meet the various targets of the Millennium Development Goals (MDGs). Within these overall development challenges, Nigerian women are the most vulnerable group that bears the blunt of underdevelopment. This is concomitant to the complex socio-cultural, economic, and political environment in the Nigeria where women are unfarely denied access to certain rights that foster development; rights that are taken for granted elsewhere. Considering the professed role of micro entrepreneurship as purveyor of development and the critical role of micro financing in poverty reduction, this paper examines the factors that hinder women in accessing micro credit, and the innovative measures they have initiated to counter these barriers and constraints. Based on interview conducted among women micro entrepreneurs, and evidence from key informant sources, the paper identifies factors summarised as internal constraints, socio-cultural constraints, and weak policy support as major constraints and barriers militating against women micro entrepreneurs from accessing micro credit. Suggestions for ameliorating these constraints were made, and policy implications drawn.

Introduction

In many respects, Nigeria represents a paradox in development. Take for instance, Nigeria is the seventh world largest exporter of oil, yet ranks 158 out of the 188 countries of the world in terms of quality of life (UNDP, 2007). Available statistics indicate that poverty has become endemic in Nigeria and is on the increase. For instance, poverty

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increased from 18 million people in 1980, to 35 million people in 1985; 39 million people in 1992; 67 people in 1996; and 74 million people in 1999. At present, about two-third of the Nigeria's population (about 150 million) are poor. The latest Human Development Programme indicates that 70.8 per cent and 92.4 per cent of Nigerian population live below US\$1 (₦117) and US\$2 (₦234) a day respectively (UNDP, 2007). All these support the ranking of Nigeria among the world's least developed nations of the world (UNDP, 2007).

Out of these numbers of poor Nigerian, women represent greater proportion due largely to their ascribed and acquired role, which is accentuated by socio-cultural orthodoxy with a concomitant vulnerability to deprivation, intimidation, and extreme suffering. Consequent upon this, majority of these women are forced into the informal economy, which exacerbate poverty and vulnerability. Given the multidimensional role of women in the Nigerian culture, and by implication in the development process though not often acknowledged, the continued neglect of the women in Nigeria means postponing economic recovery in the country. Perhaps in realization of this truism, stakeholders in the development of the less developed economies have recognized that the poor are potential economic agent rather than the hitherto misconstrued axiom that they are economic liabilities. The Institute for Liberty and Democracy's (ILD) study of the informal economy in the third World shows that "the poor are, infact, not so poor" (ILD, 2001:1). This realization has indeed dislodged the myth that the poor cannot and do not save, are not credit worthy, (Businessday, 2008), therefore cannot extricate themselves from poverty through active involvement in economic activity.

The heightened acceptance of the poor (the bottom-of-the-pyramid) as potential active economic agent that could change their fortune for good if given the right support (Shultz and Pecotich, 1997; Nkamnebe, 2005) informs the increasing recognition of the potency of micro financing as a tool for improving the quality of life of the poor. Micro credit is used in its broad sense as the provision of credit, savings and other financial services to micro-entrepreneurs and low-income borrowers (Haruna 2007; Robinson 2001; Ehigiamusoe 2007; Dunford, 2000). Accordingly, through multi-party collaboration of non-governmental organizations (NGOs), government, development institutions, donor countries and agencies, and sundry agents, MFIs are increasingly being created to serve as purveyor for conveying credit to the poor for creating and supporting micro enterprises for self empowerment and as a deliberate policy pull to market inclusiveness. At present, over 7000 such institutions exist all over the world, serving more than 25 million world poor, majority of who are women. A Central Bank of Nigeria's (CBN) study identified 160 registered MFIs in 2001, and by 2008, the number has increased to over 700; the implied supposition being that the more the MFIs the more the poor especially women have access to credit therefore are empowered and insulated against poverty and exclusion. This may be a theoretical possibility as a number of factors, implicit and explicit might be working against this supposition.

With increasing publications on the Nigeria's micro financing and micro credit (for example see: Mohammed and Hassan, 2008; Akanji, 2008, Anyanwu, 2004; Umoh, 2006; Omorodion, 2007; Anyanwu, 1994; Bamisile, 2006 Oke, Adeyemo, and

Agbonlahor, 2007) there is need to contribute to literature and public policy by examining factors militating against Nigerian women's access to micro credit. The present study examines the constraints and barriers to uncounted by Nigerian Igbo women in accessing micro credit, and to identify innovative measures taken by them to overcome such constraints and barriers. Understanding the barriers and constraints to credit access would inform policy adjustment and initiation, and having insight on innovative measures adopted by women to overcome such barriers and constraints would trigger consciousness in replicating such measures. The essence would be to foster market inclusiveness that would help in reducing poverty and vulnerability through enterprise development and growth. After this initial introduction, the rest of the paper is discussed under the following headings: Nigeria in context, brief review of literature, methodology, findings and discussion, and conclusion.

Nigeria in Context

Nigeria is populated nearly 150 million people, and remains the largest black population in the Africa. Nigeria is the most populated country in Africa, and accounts for half of West Africa's population, and over 25 percent of Sub-Saharan Africa (SSA), making it the largest market in the region. It occupies a land area of 923,768 sq kilometre with diverse climate, culture, and natural resources and 250 ethnic groups making it a highly diversified culture. Nigeria is the 7th world exporter of crude oil. Paradoxically, this does not reflect on the development outcome of the country as Nigeria ranks 158th in the Worlds Human Development Index (HDI) (UNDP, 2007). This means that the country

ranks very low in all the indices of development and her chances of halving poverty and achieving other Millennium Development Goal targets by 2015 remains illusive.

The informal sector is well developed, far ahead of the formal sector of the economy. For instance, about 65 percent of active population, most of them women have been excluded from the formal financial institutions (Bamisile, 2006). Obtaining the actual size and employment structure in the Nigeria's informal sector is difficult, but estimates suggest that the sector accounts for between 45 – 60 percent of the urban labour force; up from about 25 percent in the mid 1960s, life expectancy at birth is put at 52 years.

Even though public policy on the informal sector had been repressive, by 1990s, it became more “pragmatic and promotional”. In particular, government recognized the need to encourage women and indeed small enterprises through the provision of credit, which informed policy reform with respect to bringing the micro finance institutions (MFIs) under the control of the CBN, and this policy became operational in 2005. In addition to this recent policy initiative, other programmes in the past have been developed specifically to assist women and other micro entrepreneurs and SMEs, some of which include: the Peoples' Bank of Nigeria (PBN) initiative, the Family Economic Advancement Programme (FEAP) and currently the National Poverty Eradication Programme (NAPEP) among many others. Donor community and other international agencies have equally realized the need to nurture viable micro-enterprise and SMEs sector through concessional credit and selected interventions. For instance, in 2006, the International Finance Corporation (IFC) provided a US\$15 million gendered credit through a commercial bank under its Gender Entrepreneurship Markets (GEM) programme (www.ifc.org). In fact, the SMEs account for about 95 percent of manufacturing activity and 70 percent of industrial jobs in the formal sector. But these efforts did not succeed as three largest programme (FEAP, NACB, PBN) recorded high losses of US\$ 100 million in from of bad debt (Bamisile, 2006). Despite this policy

direction, insecurity, corruption, and poor infrastructure prevent them from really serving as motors of growth (Kauffmann, 2005).

Brief Review of Literature

Women, Micro Credit, and Poverty: A conceptualization and contextualization

Evidence from the literature supports the supposition that women are part of the missing links in the development quagmire confronting the least developed economies where Nigeria belongs. This assertion is buttressed by the fact “that they (women) account for over half the food produced in these (developing) countries, consist of one – fourth of the industrial labour force, additionally fetching most of the household’s water and fuel wood, and are responsible for children and household chores” (Anyanwu, 1994:45). Also, women have been identified as “vital part of the Indian economy, (and) constitute one third of the labour resource, and primary member contributing in the survival of the family” (Manimekalai, 2004).

To strengthen government initiative to provide better access to credit, the framework to regulate the activities of micro financial institutions (MFIs) was made operational in 2005. Evidently, MFIs serves as micro credit window to the women than men as the women have traditionally been disenfranchised by the formal financial system due largely to the undue disadvantages brought on them by existing socio-cultural and economic institutions in Nigeria (Oke, Adeyemo, and Agbonlahor, 2007; UNCDE, 1997; Adebayo, 1997; Olomola, 2001, Adeyeye, 2003, Anyanwu 2004; ADB, 2005); this somewhat shows the professed link between MFIs and women empowerment.

Accordingly, strengthening gendered MFIs would contribute in tackling the existing exclusion of women from the emerging free market.

Women and MFIs in Nigeria

It has become common that the emergence of MFIs was largely aggravated by the exclusion of the informal sector by the formal financial system/institutions in Nigeria and indeed other developing countries. For instance, out of the about 150 million Nigerians, about 65 percent of the active population who are mostly women are not served by the formal financial institutions. In Ghana, only about 5 – 6 percent of the 22 population have access to formal banking (Basu et al, 2004). Thus, the MFIs are primarily established to fill the gap created by the formal financial sector. In a survey, Anyanwu (2004: 5) summarized the objectives of the MFIs to include:

- (a) to improve the socio-economic conditions of women, especially those in the rural areas through the provision of loan assistance, skills acquisition, reproductive health care service, adult literacy and girl child education;
- (b) to build community capacities for wealth creation among enterprising poor people and to promote sustainable livelihood by strengthening rural responsive banking methodology; and
- (c) To eradicate poverty through the provision of microfinance and skill acquisition development for income generation.

This role has become necessary in Nigeria in order to foster the empowerment of women that are heavily disenfranchised by the formal banking system due largely to the perceived and real high risk and cost associated with serving the poor. Collaborating this view, Anyanwu (1994: 45) opines, “a particular example (in) Nigeria is that women suffer the disability of non-access to bank credit, yet such credit removes financial

constraints and poverty, accelerates the adoption of new technologies and national personal income, apart from raising productivity and employment”.

With about 7000 and 700 MFIs supposedly serving the global and Nigerian poor respectively, the numbers of MFIs are still far from what is required to meet the credit needs of the total number of the poor and vulnerable group in the world. In Nigeria for instance, the “micro finance specific institutions have not been able to adequately address the gap in terms of credit, savings and other financial services required by the micro-entrepreneurs” (Bamisile, 2006:1). Out of nearly 100 million poor Nigerians that are potential customers of MFIs, CBN survey shows that only 600,000 and about 1.3 million were respectively served in 2001 and 2003. Thus, the demand for microfinance services in Nigeria are still high and on the increase (Anyanwu, 2004). This increase arises from a number of sources, which include: continuous lay-off of labour from the public and private sector as a result of the structural adjustment programmes, growing number of unemployed graduates (Anyanwu, 2004). It can also be argued that the increasing adoption of capital intensive technology by Nigerian big firms has resulted to lay-offs. Again the traditional Nigerian setting places family responsibilities on the man, but with the worsening economic situations, women are now assuming additional burden of fending for themselves and other family members. These development leaves majority of affected Nigerians to the informal sector, which logically would required robust MFIs system to cater for.

Micro-Credit and Constraints and Barriers

The literature is replete with plethora of barriers that are faced by micro entrepreneurs from developing countries in their effort to fight poverty particularly through enterprise development. This section documents some of these constraints with some emphasis on micro credit access. The constraints and barriers discussed are arranged thematically as follows:

1. Finance/Lack of Access to Market Information

- Lack of awareness of the benefits of credit facilities emanating from limited education (Anyanwu, 2004:45).
- Income levels, inadequate collateral security, difficult loan process procedures, high interest rate, value of initial capital, minimum balance requirements (Umoh, 2006).

2. Social Cultural Practices

- Few women in business as they depend on their husbands as breadwinner (Anyanwu, 2004).
- Spouses control over income of their wives (Omorodion, 2007).
- The gender hierarchy within the household means that women tend to have less control over how income and food are allotted within the household (Chen et al, 2004:64)

- Gender – differentiated entitlements mean that women tend to have less ownership of, control over or access to resources than men (Chen et al, 2004:64).

3. Supportive Regulatory Framework

- Repressive informal sector policies in Nigeria in the 1980s. “In formal sector enterprises (dominated by women) such as hawking and other forms of street business were incessantly harassed and compelled to relocate to remote and inaccessible outskirts of the cities, and kiosks illegal structures, and shanty towns in the cities were raided and ruthlessly demolished. The informal sector was blamed for all sorts of evil social influences such as littering the streets, obstructing traffic, creating various forms of pollution and nuisance, crime, prostitution foreign exchange malpractice, and the like, (Nwaka, 2005:7).
- Limited number of easily accessible MFIs as people needs to travel long distance between their homes and the locations of the MFIs (Omorodion, 2007).
- The use of force and threat of prosecution by the government and MFIs (Omorodion, 2007).
- Gender divisions in roles, responsibilities and power mean that women and men are not equally positioned to respond to opportunities or overcome constraints associated with economic reforms (Chen et al, 2004:64).

- Gendered bias in financial, goods and labour markets acts as a barrier to women's ability to take up opportunities afforded by economic reforms (Chen et al 2004:64).
- The price, tax/spending and employment effects of economic reforms work their way through institutions such as markets, enterprises and households in a gendered way (Chen et al 2004: 64).
- Economic reforms can lead to poverty outcome becomes of the gendered structure of the economy (Chen et al, 2004:64).
- Unequal access and competitiveness to harness the opportunities that arise through the opening up of new markets. This can affect all the micro entrepreneurs generally, but in particular will exclude the women in the following ways:
 - Lack of access to or competitiveness in global markets, which affects women more than men. These barriers are evident in the following ways:
 - Exclusion and lack of access to land, credit, training, technology, infrastructure and information.
 - Lack of organizing into co-operatives or associations.
 - Lack of voice and representation

Lack in the case of women, of mobility and time arising from cultural restructure and domestic responsibilities (Chen et al 2004: 76).

Methodology

The major objective of this study is to examine the constraints and barriers encountered by Nigerian Igbo women in accessing micro credit and to identify the innovative measures they adopt in overcoming these constraints and barriers. The choice of the Igbo women is informed by their generally acclaimed entrepreneurial dexterity. The Igbo's generally are among the most entrepreneurial in Nigeria and they engage in businesses more often than majority of other ethnic group in Nigeria and trained widely in search of business opportunity. Accordingly, any conclusion from this study is expected to generalize measurably the reality of a typical Nigerian woman who is or intends to become a micro-entrepreneur.

Considering the target group for the study – largely illiterate and informal operator, “methodological appropriateness rather than orthodoxy” is given greater consideration. Accordingly, the study adopted depth interview and key informant technique. This helps to elicit important dimensions that ordinarily may be missed using questionnaires previous expensive and approximating of the author with women micro- entrepreneur equally provided further and rich insight entrepreneur equally home of the study.

Ten women micro-entrepreneurs, two staff of MFIs, and a former UNDP staff in charge of micro-credits were interviewed. The two MFIs staff and former UNDP staff served as key informants, each of them has about 10 years experience in the micro-credit sector, and this was reflected in their depth and diverse knowledge of the sector particularly the behaviour and perception of women towards micro-credit. The interview for the micro-entrepreneurs was guided by the questions.

- What are the major problems that constrain your operation as a micro-entrepreneur?
- What particular problems do you face regarding micro credit
- How do you familiar with any MFIs?
- Do you use MFIs facilities?
- If yes, what are your experiences
- If No, why

The key informants were generally asked to explain their experiences with women micro-entrepreneurs in their relation with MFIs especially in the case of micro-credits.

Responses from these interviews were analysed for content.

Analysis

The analysis of questions posed to the interviews will be arranged thematically as follows:

Constraints/Barriers to as a Micro-entreprises.

The following constrains were mentioned by virtually all the respondents.

- Finance
- Local market conditions
- Family responsibilities and difficulties in securing house-helps
- Additional responsibilities following the spouses dwindling revenue.

- High cost of transportation arising from high cost of petrol are deserve.
- Increasing cost of hiring.

Barriers/Constrains to Finance

- Limited finance
- Debtors who fail to repay as at when due
- Limited family members and relatives that are able to offer financial support.

Are you familiar with MFIs

No many of them was able to distinguish between MFIs and the conventional banks. A good number only can distinguish them by referring to MFIs as “Small banks”.

How do you tackle your financial constraints?

- Relatives
- Friends
- Business associates
- Women groups
- Money lender
- Thrift society
- Spouse.

Discussions

From the responses one can see a clear evidence of non-acceptability of the MFIs as potential source of credit. All the people interviewed mentioned finance as one of the most serious constraint in their business endeavour, but all of them seek for credit from non-MFIs like friend's family members, trade credits and the like. This collaborate the conclusion made by Umoh (2006:89) "that entrepreneurs need to acquire substantial amount of initial capital and increase their sales volume to be less dependent on external sources of funds for operation.

The finding further exposes an important gap in the micro credit behaviour of micro – entrepreneur that seems not to have been noticed. This has to do with the implied assumption and supposition that once MFIs are created, micro-entrepreneurs will proactively search for them and solicit for credit. Evidently, the level of awareness and persuasion exerted by the MFIs is still very low. This again is consistent with Anyanwu (2004) who found that micro entrepreneurs are not aware of the activities and benefits derivable from MFIs. This might not be unconnected with the sellers' market and relative oligopolistic market structure that is characteristic of the banking sector, especially in the past, which make operators believe that they are the one to be sought for rather than being market oriented. Closely related to this, is the current effort to integrate the informal sector women micro entrepreneurs with the MFIs that are now under the regulation of the CBN. The CBN Guideline for the MFIs in Nigeria became operational in 2005, and by implication, the CBN has planned to attract the informal sector into the formal sector. By this arrangement the MFIs that traditionally cater for the informal economy are now to follow the "guideline" of the CBN, which is a highly formalized

super structure. This may create a number of problems. First, the MFIs are to be dealing with their informal clients according to the “new rule” and no longer according to the less formal procedure that characterise the informal sector. This has the implication of scaring the informal micro-entrepreneurs who are likely to see the operations of the MFIs as elitist and as a possible means for government to directly or indirectly drag them into meeting such obligations as paying tax and other civic responsibilities. This possible behaviour has been explained by some of the dominant schools of thought on the informal sector, the dualist and the legalist schools. The dualist school regard the informal sectors to be distinct from and not related to the formal sector (Hart, 1973; ILO, 1972; Sethuraman, 1976; Tokman, 1978). Similar to this, the legalist school argue that informal sector operators are micro-entrepreneur, that are avoiding the high resources (time, cost and efforts) required to be admitted into the formal economy (de Soto et al, 1989). Given these perspectives, if the MFIs are not innovative as to address the views of these schools, the micro-entrepreneur will still reside in the informal economy thereby helping to reduce the anticipated efficiency of policy.

Designing a deliberate campaign to educate the consumers and potential consumers of their services is a credible means to be market oriented. In doing this, the MFIs should adopt a community based communication strategy which has greater chances of efficient and economical reach in the context under consideration than the conventional mass media. This is because, the micro-entrepreneurs organise themselves into meeting groups, which are used for economic, political, and social purposes. Example is the Onitsha Amalgamated Traders’ Association (OMATA). This option holds great promise in view

of the community based nature of MFIs. Nwosu and Nkamnebe (2006) argued that due to the deficiency in infrastructures in Nigeria that are taken for granted elsewhere such as electricity are hardly available. This means that local residents seldomly have access to electronic media. In such situation, the use of unorthodox media such as town criers, community gatherings, and meetings serve as potential avenue for effective and efficient communication with potential customers of the MFIs serves.

The next strategic option which has to do with another conclusion from the finding, is that the micro-entrepreneurs lack mental access. This refers the doubt of the micro-entrepreneurs to accept MFIs and their unwillingness to use it as potential source of enterprise credit. To the poor women micro entrepreneur life is already risky and setting up a micro enterprises with micro credit will make life a lot riskier (BusinessDay, 2008) therefore life will be less risky by avoiding micro credit. This behaviour might not be unconnected with the local myths about how traders that use bank credit end up as failures. Another connected myth that is popular among local people is that banks are for their interests only and that their “friendship” turns to wild confrontation once the trader defaults in repayment. This forces them to remain small and restrict themselves to other non-banking options. In order to address this problem, it will be important for public policy and MFIs to realize the need to integrate Nigerian women micro-entrepreneurs into the mainstream benefits of MFIs through mass enlightenment. This way the women who obviously have some biases would be converted and made to accept and proactively seek micro-credit through the MFIs.

Another important finding in this study is the overwhelming influence and command on the women by the women meetings/group dynamism in the local levels. One of the key informants and some of the interviewees narrated how the women meeting/groups have turned into veritable source of micro-credit. The women meet once in a year and all of them or representatives of all branches of the Association must coverage in their country home for a general meeting. At these meetings they raise large sums of money through subscription and levies to manage their affairs. After providing for the expected expenditure for the next year, they distribute the balance to members that need loan to support their business with interest that is much higher than other money lenders. From the evidence, repayment is 100 per cent at the next year's meeting. In the event where a member defaults in payment, may be as a result of business failure or any other unforeseen events, close relatives contribute and pay in order to save the integrity of the family. This way sustainability is ensured. By implication, there is an implied group guaranteed for each loan.

The foregoing case of unorthodox medium can be utilize by the MFIs. This will require lending to the Association of women, who in turn lends to their individual members. From evidence, this would require very minimal monitoring as the social ego of family members and existing network will not allow any of them to default in paying. This model finds empirical validity as similar models have been reported in the literature (see: Oke, et al, 2007; Zeller et al 2001). The argument hinges on substantial importance that is placed on known information about potential members since joint liability and group cohesion serve as collateral (Oke at al 2007, Zeller et al 2001). Over the years the

“August Meeting” as it is now popularly known has been used regularly and successfully by NGOs, government, civic societies and the like in community mobilization and the results have always been profound.

From the way the financial system is structured, there seems to be a “missing middle”, which if in place could expand the micro credit sector. The banking sector is made up of highly capitalized banks in one extreme, and the MFIs with limited capitalization on the other extreme. Following the recapitalisation of all the banks in Nigeria, the banks are now expanding outwards, towards mega organizations with numerous outlets, and are ready to finance risky ventures. The commercial banks aggressively target the big business because of the obvious advantages the globalization orthodoxy is conferring on them. The micro-enterprises are their least priority. This is because, the Nigerian banking sector seems to have left a legacy of avoiding the real and agricultural sectors in their choice of investment portfolio in preference to the commercial sector. In a review, Anyanwu (2004; 12) found that only about 14.1 and 3.5 percent of total MFI finding went to these (real and agriculture) sectors respectively, while the bulk, 78.4 percent funded commerce”. This corroborates the conclusion of Nkamnebe (2005) that this discrimination by the banks through the SMIEIS funds of the non-oil export sector contributed in to the constraints faced by that sector. If this scenario is not attended to, the MFIs may not have far reaching effect on the Nigerian women who are predominantly farmers and petty producers.

On the other hand, the MFIs are too few and poorly capitalized to make a revolutionary impact on the micro-enterprises and SMEs. This leaves a gap of highly capitalized and accessible financial institution that could meet the credit needs of about 100 million Nigerian poor of which majority are women that are widely disposed. The CBN can address this problem by coaxing the banks to operate micro credit unit in all its branches especially rural and urban areas. At present these banks operate in all the over 700 local government head quarters in Nigeria, and 5000 branches across the country. This strategic option will help to address some of the major constraints faced by women in accessing micro credit, such as the long distance travelled by women to reach the MFIs (Omorodion, 2007), ignorance of MFIs arising from poor and limited visibility of the existing MFIs (Anyanwu, 2004) and a host of others. The participation of the banks can help to drive down the high interest rate charged in the informal market.

The micro-credit sector can equally be boosted if the banks can inject and transform the over N6 billion SMIES fund that has been lying idle for years (Nkamnebe, 2005). The SMIES is a mandatory deductions directive by the CBN that banks must deduct 10 per cent of their annual profit into a fund to be invested as equity among the SMEs. Over the years only about 300 million has been disbursed. By converting it into micro-credit with gendered consideration and concession, the government would have enhanced its supportive mechanism for fostering women micro-entrepreneur, thereby pragmatizing its resolve to attain the MDG targets of gender equality.

The CBN through its entrepreneurship development programme, can recruit women micro-entrepreneurs, train them and provide guaranteed credit to them through the MFIs. The MFIs can then mentor, and guide them to success. The involvement of the CBN will provide the required assurances from the MFIs and at the same time avoid the lapses that caused the failures of previous government programmes as the new arrangement would typically be private sector in operation. The training will provide them with required skill and confidence that will douse their phobia, the guaranteed MFIs will give the MFIs the confidence to lend and at the same time provide the micro-entrepreneurs with a “guardian angel” by way of advice and monitoring from the MFIs.

Even though Islam is rarely practiced among Nigerian Igbo women, but in the other parts of Nigeria especially in the North, it is predominant. Considering the peculiarity of Islamic faith that confine their women and at the same time is sensitive to conventional interest based micro-financing the potential of Islamic version of micro financing needs to be explored for possible adoption in the region with high concentration of Muslim women. Commenting on this possibility, Mohammed and Hassan (2008:1) concludes.

Nigeria being a country with a Muslim majority, represents a potential for Islamic micro finance especially that most Muslims reject the conventional interest based micro financing which is not tailored in line with their faith.

This equally points to the important requirement of adapting micro finance policies to the cultural variations of the 250 ethnic shades in Nigeria. The idea of homogenizing national cultures might be too theoretical that if care is not taken, government policies on micro-credit and poverty alleviation might fail due to cultural sensitivity and resistance.

Conclusion

The findings from this study indicate that women micro entrepreneurs still face a number of constraints and barriers accessing micro-credit for enterprise development. These constraints and barriers can be summarized as internal constraints and barriers, social-cultural constraints, and Non-supportive policy constraints. The internal constraints are those factors that are inert to the women micro entrepreneurs, such as lack of mental access in which the women themselves do not believe in micro credits and MFIs due largely to ignorance, fear of the consequence of default, and the myth that “bank facilities are meant only for the rich”. These barriers and constraints are largely cultivated by environmental reinforcements planted and nurtured by the myths surrounding conventional banking.

The second category is social culturally induced, and comprise of such factor as family and cultural expectations, multiple roles in family and society, inflame of spouse, family and culture itself. Typically, Nigeria as in most cultures in Africa is built on the belief that men are superior to women, and women tend to accept this role. This means that only men can go to war, therefore women are not to undertake risky ventures. This belief affects the attitude and behaviour of women that tend to be inimical to micro financing.

Finally, the non-supportive policy barriers and constraints refers to the hostility environmental forces that are within the ambit of public policy, such as poor financial, regularly and physical infrastructure. These factors contribute in damping the entusiaism

with which women micro entrepreneurs take up enterprise development and growth through the MFIs path. Thus, they make the world of venturing risky and costly for the women. The many levies and taxes by local authorities, high cost fuel, power and transportation fall within this category.

Women have nurtured innovative measures to overcome these barriers, such as women group that provide credit to members, the use of extensive family network to raise credit, seed money, and other supports for their business. Micro-credit from the MFIs seems to be the least option. This paper suggest policy adjustments that would foster greater sensitization of the women, market – oriented approach by MFIs, effective use of women groups and traders associations entrepreneurs, involvement of banks in MFIs through the conversion of SMEIS micro credit fund, entrepreneurship development and guaranteed MFIs' finding, and selected Islamic version of micro credit. The constraints and barriers no doubt reinforce the exclusion of the poor women entrepreneurs and vulnerable group in accessing the benefits of free market.

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