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An Assessment of the Impact of Microfinance Banks on Poverty Alleviation in Gombe State, Nigeria

Mohammed Ibrahim PhD[1], Adamu Danlami Ahmed PhD[2], Saleh Muhammad Bahamman PhD[3]

ABSTRACT

Microfinance banks provide a wide range of financial services such as deposits, loans, savings, payment services, money transfers, and insurance to the poor and low-income individuals, households and groups of persons who do not have access to conventional deposit money banks. The aim of this study is to assess the role of microfinance banks in alleviating poverty in Gombe State, Nigeria. Data for the study were collected through primary sources from the customers of the three (3) sampled microfinance banks operating in Gombe state through the administration of questionnaire. A total of three hundred and ninety-three (393) copies of the questionnaire were distributed to the respondents. Any mean above the cut-off point indicates agreement with the statement and vise-versa. Also, the inferential statics used is chi-square test to test the stated hypotheses of the study. From the analysis of the data the study concluded that the poor at the grass root level benefits from the services of microfinance banks in Gombe state. Also, the level of outreach and quality of services provided by microfinance banks in Gombe state is commendable. Likewise, the services of the microfinance banks have positive impacts on the micro business performance. It was therefore, recommended that more awareness programs should be organise to encourage people to access more credit facilities from the bank. Also, businesses should be encouraged to patronize the services of microfinance bank as evidence provides that services rendered by microfinance banks make business to generate more profit.

1.   Introduction

The major problem facing African nations and in fact, all nations of the world today is poverty, as found in the 1st to 3rd targets of the Sustainable Development Goals of the UN General Assembly's declaration of 2015, convened by all the heads of state. According to them: Goal 1, was to end poverty in all its forms everywhere; Goal 2, was to end hunger, achieve food security and improved nutrition and promote sustainable agriculture, while Goal 3, was to ensure healthy lives and promote well-being for

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[1] Department of Accounting, Gombe State University, Gombe-Nigeria. Email: mifili77@gsu.edu.ng
[2] Department of Accounting, Gombe State University, Gombe-Nigeria. Email: adamud.ahmed63@gsu.edu.ng
[3] Department of Accounting, Gombe State University, Gombe-Nigeria. Email: sbahamman@gmail.com

all at all ages. These first three goals have, therefore, been well directed at ending poverty. Every government has since built them into their development programs.

A timeline looks at the poverty trend in the country over the years, as shown in the data from the Global Consumption and Income Project (GCIP, 2019), is that the rate of poverty overtime has been significantly high at independence when the rate stood at 60.718% of the total population. Then from 1971 to 1980, the poverty head-count ratio dropped to an average of about 47%. Its lowest level was in 1997 with a headcount ratio of 44.7%, but on average, the poverty headcount in Nigeria was 61.8% between 1960 and 2015, which was quite high. By the GCIP data, the poverty headcount peaked at 79.604% in the year 2000 and has hardly dropped below 58% of the total population since then. To the 2019 National Bureau of Statistics release and according to Okunmadewa (2001), an alarming situation is shown where more than 40 per cent of Nigerians live in conditions of extreme poverty spending less than N320 ($2) per day. Therefore, the pursuit of poverty alleviation by the governments of the world (Nigeria inclusive) is getting the priorities perfectly correct.

Apart from the government directly attending to the needs of the poor via its ministries, Departments and agencies and indirectly by allowing NGOs to rescue more people below the poverty line, the only other viable option heralded all over the world has been through microfinance banks. This is in recognition of the fact that many rural people do not have access to credit. Therefore, the Nigerian government like many others has conceived the idea of using microfinance banks to fill the gaps created by the collateral-based conventional banks that have been both reluctant and/or ill-equipped to meet the special credit needs of the poor and mostly rural people who themselves are mostly illiterate farmers and petty traders. The Microfinance banking system was institutionalized by the Revised Microfinance Banking Act of 2005 (CBN, 2005) with the primary objective of promoting grassroots self-reliant economic development, through the provision of finance and other banking services convenient to poor individuals and households and those at local levels.

The Microfinance Banks, like the former Community Banks and Peoples Banks, were established to address some of the identified constraints that deny many poor Nigerians access to bank credit. The Microfinance banks are not designed to offer credit at subsidized rates nor to overlook the need to ensure collateral security for their credit extension, but rather to ensure geographical accessibility of banking facilities in the rural communities and the unbanked poor urban dwellers (CBN, 2005). The use of microfinance banks policy for poverty alleviation is based on the popular assumption that enabling poor individuals and households access to credit helps them to begin micro-entrepreneurship which itself could lead to improvement of services and eventually to ensuring their escape from poverty. Micro-financing concerns the provision of financial services to the active poor who cannot meet the mainstream banking requirements of the high volume of transactions in their businesses, nor do they possess the structured and formal business setups and high collateral requirements expected from them by deposit money banks.

Gombe state is located in the Northern part of Nigeria and is generally more impoverished than other regions of the country. The government of Gombe state has, therefore, over the years been initiating publicly financed programs through microfinance banks such as micro/rural credit programs targeted at the poor to enhance the flow of financial resources to rural areas.

Poverty in Nigeria has led to hunger, greed, corruption, insecurity and so many other sharp practices which have had a great effect on the economy and socio-cultural life of the people (Yelwa & Emmanuel, 2013). The 2019 NBS report on poverty in Nigeria details that 40 per cent of the total population, or almost 83 million people, live below the country's poverty line of ₦137,430 ($381.75) per year (NBS, 2019). The report is based on the survey data conducted by the Nigerian Living Standards Survey, between 2018-2019 with support from the World Bank's Poverty Global Practice and technical assistance.

Previous Gombe government programs through microfinance have not succeeded in alleviating poverty so far, given the statistics of worsening poverty in the state (though the situation is the same nationally). The country as of recent has been tagged as 'the poverty headquarters of the world' following a new report by 'The World Poverty Clock' which showed Nigeria as haven overtaken India as the country with the most extreme poor people in the world. Some of the programs that have recorded few successors have failed are - the Agricultural Credit Guarantee Scheme (ACGS) extended by the federal government, sectoral allocation of credit; the Nigerian Agricultural Cooperative and Rural

Development Bank (NACRDB) established to uplift the rural farming population via its services; and the National Directorate of Employment, to mention but a few. Though with mandates to provide assorted financial services to alleviate poverty among the poor, their successes have been very limited.

The Gombe State Government has also sought to stimulate the economy by initiating and establishing the Trade Intervention Fund, the Agriculture Intervention Fund and the Entrepreneurship Development Fund in partnership with the Bank of Industry. The Directorate for Small and Medium Scale Industries established under the Ministry of Commerce and Industries in the state has the objective of developing the productive capacity of the economy and thus improving the living standards of the citizens of the state through the provision of credit for entrepreneurial development (Gulani & Usman, 2012). But as usual since the '80s, it has become a known fact that we have lofty programs and projects on paper but with very poor and costly implementation hence the plethora of abandoned programs and projects in the state and the federation.

It can thus be discerned those varied types of problems might have truncated the achievement of poverty alleviation not only in the country but equally in Gombe state, some of which might be poor attitude to handling government programs, lack of capacity at implementing the many lofty programs aimed at alleviating poverty among the populace, corruption, a cultural complex that supports a vicious cycle of poverty, absence of enabling structure and maybe a lot more.

Studies like: Owo (2002), Olashore (2009) and Sadeque (2010), Osemene and Abdulraaheem, (2011) have observed that microfinance banks would have been a veritable vehicle of rural development and poverty alleviation but for the following constraints: lack of adequate loans or equity capital to increase loanable funds, insufficient support from the government, inadequate donor funding, poor policy environment, weak regulated financial sector, weak institutional features (legal and regulatory) and specific constraints related to intermediation in rural areas.

Moreso, studies conducted in Gombe State include that of Abdu, Sasa and Ahmad (2016) looked at women in agricultural, Bala, Ali and Yusuf (2015) examine how MFB loans affect women and Koko, Ali and Nasiru (2019) studied the impact of Microfinance on economic empowerment of women entrepreneurs. All the studies are focusing on women entrepreneurs. These studies looked at the holistic contribution of MFB to poverty alleviation in Gombe state.

Microfinance banks are also faced with the challenge of incorporating economies of scale and the reduction of huge transaction costs due to the difficulty in recovering costs and accessing incentives from foreign donor agencies where they exist. High operational costs and poor retained earnings have prevented microfinance banks from setting up branches sufficient to cater for the needs of the teeming poor population. Gombe is among states that have 5 micro-finance banks operating in the state. Gombe is presented by NBS as 9th in terms of poverty headcount with 62.31%, which is a very high rate nationally and internationally.

Therefore, it is against this background that this study is set to assess the impact of microfinance institutions as a means of alleviating poverty in Gombe State thus appreciating the efforts and querying the failures and establishing the way forwards so that the microfinance banks as existing pragmatic schemes with the capability of achieving the desired goals of poverty alleviation in Gombe and Nigerian should be doing so to contribute significantly to the economic development of the state and the country.

The remaining of the study, includes literature review, methodology, findings, conclusion and recommendation.

2.   Literature review

Microfinance banks have functioned for nearly 15 years in Nigeria as rural financial intermediaries with the primary objective of promoting grassroots self-reliant economic development through the provision of finance and banking services among others. Specifically, the banks have been expected to fill the gaps created by the conventional banks and informal sources of credit in the rural credit market. These were to be achieved by mobilizing rural savings and providing access to credit to the rural economic operators that need credit for investment (CBN, 2005). However, reports by the Central Bank of Nigeria (CBN) and the Nigeria Deposit Insurance Corporation (NDIC) in their various publications and annual reports over the years sees the impact of microfinance banks from the point of

view of geographical spread, growth in the number of established banks, total deposits mobilized, total loans/advances granted, and growth in the total assets of the operating microfinance banks (Onwuka & Udeh, 2015). Hence, the assessment of the impact of microfinance banks should certainly go beyond the above-mentioned criteria.

There has been increasing concern for Microfinance banks because of their potentials to positively impacts on other sectors as the potential importance for employment, income generation and poverty reduction (Bekele &Worku, 2008). Several studies have been done on the impact of Microfinance banks on poverty alleviation. For example, Audu and Achegbulu (2011) conducted a study on how microfinance bank reduce poverty among the teaming Nigerian populace between the periods of 2003 – 2007. The outcomes of the study revealed that most Microfinance banks tend to concentrate their operations in urban and semi-urban towns instead of the rural areas where the poorest of the poor are concentrated. This signifies that Microfinance banks should spread their tentacles to other teaming Nigerian in the rural areas. In addition, the study conducted by Yahaya, Osemene and Abdulraaheem, (2011) was aimed at examining the effectiveness of Microfinance banks in the alleviation of poverty in Kwara State, Nigeria. The data was collected through the use of questionnaire while t-test and analysis of variance (ANOVA) were used as technique for data analysis. The results revealed that poverty is reduced by the efforts of Microfinance banks.

Moreover, Akosile and Ajayi (2014) examine whether the credit and financial facilities provided by Microfinance banks to the informal sector and Micro, Small and Medium Enterprises (MSMEs) are optimally used to reduce poverty and enhance economic development. It was found out that credit and financial services provided by the Microfinance banks enable the poor and low-income group and MSMEs to engage in economic activities that make them self-reliance, enhances their income and help them create wealth and thereby reduce poverty. In the same vein, Babalola et al., (2014) assessed the level of Microfinance banks' operation in Niger state through poverty alleviation programs. Survey was conducted in Brass Microfinance Bank Bida. Findings revealed that microfinance institutions are regarded as the main source of funding micro enterprises in the rural areas of Niger State and that it serves as a means of reducing unemployment rate among graduates in Bida metropolis. Similarly, Enahoro and Ilori (2014) investigated the relationship between Microfinance banking and poverty alleviation using a survey research design. The data for the study were analysed using logistic regression model and correlation. The result of the study revealed that economic analysis of business practices in Ogun state is generally profitable, the profit cannot be maximised if there is no adequate loan or capital for the effective monitoring of the lucrative business activities. In addition, Oyeniyi (2014) investigated the influence of microfinance bank on the performance of small-scale Businesses at the Community Level using Michika Microfinance Bank Limited, Adamawa State, Nigeria. The primary data used were sourced through structured questionnaire administered to 360customers of the bank. Descriptive statistics using mean values and histogram as well as multiple regressions were used for the analysis. The result indicated that the Microfinance bank, despite its numerous challenges/limitations has great impact on the performance of small-scale business in its area of operation.

On the other hand, Okafor (2014) examined the impact of Microfinance banks activities on poverty alleviation in Nigeria. An ex-post facto research design was adopted and annualised time series data for 20 years, covering the period 1993-2012, were collected from Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS) and National Population Commission. Descriptive statistics using tables, graphs, charts, mean, median, skewness, kurtosis etc. were used as techniques for data analysis. The results among others show that Microfinance banks' activities do not have a significant positive impact on poverty alleviation in Nigeria. Moreover, Onwuka and Udeh (2015) assess the impact of rural credit facilities of Microfinance banks on rural financial markets and the implication on the rural economy and poverty alleviation. A sample of 27 Microfinance banks was picked from 77 Microfinance banks in Imo and Enugu. 10 house hold were selected from each 27 communities making a total respondent of 270, out of which 265 were successfully administered questionnaire. The study showed, among others, that deposits mobilized from rural communities by Microfinance banks were siphoned out of the communities by way of fixed deposits with commercial banks usually located outside the communities, thereby defeating the sole idea of financial intermediation within the communities.

Moreover, Pomi (2019) conducted a research in Bangladesh on the impact of microfinance bank on poverty alleviation. Primary data was used via questionnaire. 5 branch of Bangladesh Rural Advancement Committee (BRAC) and 3 branch of and Association for Social Advancement (ASA) were used as sample of the study. The study revealed that microcredit disbursed through BRAC and ASA, plays a dynamic role to reduce poverty in the study areas. It is found from the study that microcredit has positive impact on income, expenditure, condition of dwelling house, education, health and decision making ability of the poor women borrowers. Also, Tafamel (2019) found that micro finance institution and poverty alleviation were positively and significantly related. This study were conducted using 200 micro and small scale business located in Ikpoba local government of Edo state Nigeria. Collins, Sira, Barikui and Felix (2019) Using a linear model, we model the relationship between the activities of microfinance institutions and its impact on poverty alleviation in Nigeria which were disaggregated into Microfinance Loans and Advances (MFC), Long Term Investment by Microfinance Institutions (INV), and Number of Microfinance Institutions (NMFI). The study adopted a time series data, extracted from CBN web side. It was concluded that microfinance loans and advances have an impact on poverty alleviation and also, investment by microfinance institutions if not targeted at the poor, will have no significant impact on poverty reduction.

Among the recent studies, Ezeanyeji, Usifoh, Obi, and Ejefobihi (2020) conducted a study on the linkages between micro-financing, poverty alleviation, and economic growth in Nigeria from 1992 to 2018. The data analysis was based on the Autoregressive Distributed Lag (ARDL) model. The research findings showed that microfinance banks' loans contributed significantly negative to poverty in the long-run, but failed to make any significant contribution to economic growth. In Bangladesh, Akhter and Cheng (2020) examine the effectiveness of microcredit as an instrument to enhance financial accessibility among poor women in rural areas. Poor rural women were the target. The outcome of the empirical analysis showed that there was a significant effect of microcredit on sustainable women empowerment. Onyele and Onyekachi-Onyele (2020) using the Autoregressive Distributed Lag (ARDL) approach to regression analysis from 1992 to 2018, conducted a study on effect of MFB on poverty reduction in Nigeria. The study found that microfinance banks significantly reduced the poverty rate in the long-run.

Studies conducted in Gombe includes that of Abdu, Sasa and Ahmad (2016) look at only MFB based on contribution done to women on agricultural sector in Gombe. It was revealed that Women constituted 49% of the beneficiaries of the bank loans since its inception in 2008. Also, Bala, Ali and Yusuf (2015) examine how MFB loans affect women in the Gombe metropolis. Koko, Ali and Nasiru (2019) study on impact of Microfinance on economic empowerment of women entrepreneurs; it was found that microfinance programme being provided in Gombe State has a positive impact on the women entrepreneurs. All the studies conducted in Gombe, none look at the general contribution of MFB on the teeming youth in the Gombe state as a whole.

From the foregoing, one can see that the results from the findings of previous studies is inconclusive and hence the need to carry out an investigation into this area of research. Therefore, the following hypotheses in null form were stated to guide this study:

H01: Poor at the grass root level do not significantly benefits from the services of microfinance banks in Gombe State.

H2: The level of outreach and quality of services provided by microfinance banks in Gombe state is not significantly commendable.

H3: The services of the microfinance banks have not significantly impacted positively on the micro business performance.

3.   Methodology

The study was carried out in Gombe state, Nigeria. The state lies within the north-eastern region of Nigeria and the state was created on the 1st day of October, 1996 during the military regime of late General Sani Abacha. Gombe State is a confluence of economic activities because of its position as the meeting point for business people from the surrounding states which include Borno and Yobe to the north-east, Taraba and Adamawa to the south and Bauchi to the West. This advantage has made the State to become vibrant in all respects. Many people in the state are also engaged in the service

industries, especially in the informal sector of the economy. Individual farmsteads dominate the rural landscape producing a variety of grains. Other small-scale businesses found around the urban settings are; fashion designing and tailoring, hair dressing, catering, motorcycle transportation, entertainment, event preparers, building/construction and roadside motor vehicle repairs, and numerous others. Indeed, Gombe State today has at least one distributor/dealer for all the known manufacturing industries in the country (Online Nigeria, 2017). Thus, within the short period of its creation to date, the state has made tremendous progress economically, politically and socially. Administratively, the state has eleven local government areas and Gombe is the State capital.

3.1 Population, sample size and sampling technique

Customers of the microfinance banks were surveyed as the basic unit of observation. Their lists and addresses was obtained from the microfinance banks because it is convenient for both the researchers and respondents for easy administration of the research instruments. The population of the study consists of all clients of the five (5) Microfinance banks in Gombe State i.e. Gombe Microfinance Bank, Tangale Microfinance Bank, Shongom Microfinance Bank, Jewel Cooperative Microfinance Bank and Bubayero Microfinance Bank. However, three (3) microfinance banks (Gombe Microfinance Bank, Tangale Microfinance Bank and Shongom Microfinance Bank) were selected using judgmental sampling technique while stratified random sampling technique was employed to collect data from the three (3) sampled microfinance banks. For fair representation, the population of the study was divided into groups i.e. the three (3) sampled microfinance banks. After stratifying the population into these groups, the sample size was generated using Yamane's (1967) formula. The formula provides for the normal approximation of 90% confidence level and 10% allowable error, where the population is finite and small. However, in a large or infinite population, a 5% error term is considered appropriate. In the case of this study, the size of the population is so small to a certain extent; as such a 90% confidence level is applied.

The formula is as follow:

$$n = \frac{N}{1 + Ne^2}$$

Where:
    n = sample size,
    N = population size,
    e = the error of sampling and
    1 = constant

The number of customers of the Microfinance banks as at December, 2021 is ten thousand five hundred and forty-two (10,542) for Gombe Microfinance Bank, nine thousand one hundred and twenty five (9,125) for Tangale Microfinance Bank and three thousand two hundred and five (3,205) for Shongom Microfinance Bank as obtained from the respective records, making the total number of twenty two thousand eight hundred and seventy two (22,872) customers. The sample size was taking based on the number of customers using Taro Yamane's formula as follows:

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{22872}{1 + 22872(0.05)^2}$$

$$n = \frac{22872}{1 + 22872(0.0025)}$$

$$n = \frac{22872}{1 + 57.18}$$

$$n = \frac{22872}{58.18}$$

n = 393.12
n = 393 approximately.

Based on this calculation, responses from a minimum of three hundred and ninety-three (393) customers were considered satisfactory. Therefore, one hundred and eighty-one (181) copies of questionnaire were issued to customers of Gombe Microfinance Bank, one hundred and fifty seven (157) copies of questionnaire were issued to customers of Tangale Microfinance Bank, while fifty five (55) copies of questionnaire were issued to customers of Shongom Microfinance Bank. The arithmetical distribution of the questionnaire is shown below:

Gombe Microfinance Bank = $\frac{10542}{22872}$ * 393 = 181

Tangale Microfinance Bank = $\frac{9125}{22872}$ * 393 = 157

Shongom Microfinance Bank = $\frac{3205}{22872}$ * 400 = 55

3.2 Method of data collection

The data for this study were collected through the use of structured questionnaire from the respondents (customers of the three (3) sampled microfinance banks). The researchers distributed the questionnaire to the respondents through the help of research assistants. Explanations on the questionnaire were given to the respondents in the local languages (i.e. Hausa, Fulfulde and Tangale) where necessary. The questionnaire was designed using the 5 points Likert Scale ranging from 5 (Strongly Agreed) to 1 (Strongly Disagreed). Five (5) questions each were developed for the three objectives and hypotheses of the study.

3.3 Reliability of research instrument

This study used Cronbach alpha to measure the reliability of the instrument used. Prior literature has suggested the use of reliability and set of a bench mark of 0.7 as acceptable level (Hair Sarstedt, Ringle & Mena, 2012). From Table 1, such value is shown to be larger than 0.70, so high levels of reliability have been demonstrated among all the items used for the study.

Table 1.

Reliability statistics.

Cronbach's Alpha	N of Items
.806	15

.806	15

Source: Field Survey (December, 2021) using SPSS 23.0

3.4 Method of data analysis

The data generated from the survey were analyzed using both descriptive and inferential statistics. The descriptive statistics include mean rating and standard deviation where the cut-off point of 3.0 was used (i.e. 5+4+3+2+1/5) for the mean, any mean above this indicates agreement with the statement and vise versa. The inferential statics used is chi-square test to test the stated hypotheses of the study. All the analysis were carried out with the aid of Statistical Package for Social Sciences (SPSS) 23.0.

4. Results and discussion

Interestingly, out of the three hundred and ninety-three (393) copies of the questionnaire distributed to the respondents, three hundred and seventy-six (376) copies of the questionnaire were correctly completed and returned representing 96 per cent response rate. Hence the analysis was based on three hundred and seventy-six (376) respondents. The information gathered from the questionnaire were presented and analysed concurrently for clear scrutiny.

Table 2.

Response rate.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Gombe Microfinance Bank	173	46.0	46.0	46.0
	Tangale Microfinance Bank	149	39.6	39.6	85.6
	Shongom Micrifinance Bank	54	14.4	14.4	100.0
	Total	376	100.0	100.0	

Source: Field Survey (December, 2021) using SPSS 23.0

Table 2 shows that of the three hundred and seventy-six (376) copies of the questionnaire returned, one hundred and seventy-three (173) representing 46% were from Gombe microfinance bank, one hundred and forty-nine (149) representing 39.6% were from Tangale microfinance bank and fifty four (54) representing 14.4% were from Shongom microfinance banks.

4.1   Demography of the respondents
Table 3.

*Name of microfinance bank * lenth of time as client crosstabulation.*

			Lenth of Time as Client				Total
			<5 Years	5-10 Years	11-15 Years	>16 Years	
Name of Microfinance Bank	Gombe Microfinance Bank	Count	35	63	46	29	173
		% within Name of Microfinance Bank	20.2%	36.4%	26.6%	16.8%	100.0%
	Tangale Microfinance Bank	Count	22	61	38	28	149
		% within Name of Microfinance Bank	14.8%	40.9%	25.5%	18.8%	100.0%
	Shongom Micrifinance Bank	Count	13	17	15	9	54
		% within Name of Microfinance Bank	24.1%	31.5%	27.8%	16.7%	100.0%
Total		Count	70	141	99	66	376
		% within Name of Microfinance Bank	18.6%	37.5%	26.3%	17.6%	100.0%

Source: Field Survey (December, 2021) using SPSS 23.0

Table 3 shows that seventy (70) respondents representing 18.6% spent less than 5 years as clients to the microfinance banks in Gombe state, one hundred and forty one (141) respondents representing 37.5% spent between 5-10 years as clients of microfinance banks in Gombe state, ninety nine (99) respondents representing 26.3% spent between 11-15 years as clients of microfinance banks in Gombe state, while sixty six (66) respondents representing 17.6% spent over 16 years as client of microfinance banks in Gombe state.

4.2   Poor at the grass root and services of microfinance banks
Table 4.

Respondents opinion on whether or not the poor at the grass root level benefits from the services of microfinance banks in gombe state.

Statements	Whether or not the Poor at the Grass Root Level benefits from the Services of Microfinance Banks in Gombe State							
	SA	A	UD	DA	SD	Total	Mean	Std Dev.
1. Clients do apply for credit from microfinance banks in Gombe state	254 67.6%	97 25.8%	14 3.7%	5 1.3%	6 1.6%	376 100.0	4.56	0.77
2. Clients do obtain credit from microfinance banks in Gombe state to expand their business activities	127 33.8%	214 56.9%	25 6.6%	4 1.1%	6 1.6%	376 100.0	4.20	0.74
3. Clients of microfinance banks in Gombe state do obtain credit for the purpose of	90 23.9%	238 63.3%	38 10.1%	10 2.7%	0 0.0%	376 100.0	4.09	0.66

financing new investment project								
4. Clients of microfinance banks in Gombe are satisfied with the conditions of loan repayment	106 28.2%	209 55.6%	40 10.6%	14 3.7%	7 1.9%	376 100.0	4.05	0.84
5. Nature of the business, rules and procedure and the mount of savings are the determinants of credit disbursement to the clients of microfinance banks in Gombe state	91 24.2%	230 61.2%	39 10.4%	14 3.7%	2 0.5%	376 100.0	4.05	0.74

Source: Field Survey (December, 2021) using SPSS 23.0

On whether clients do apply for credit from microfinance banks in Gombe state, Table 4 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This implies that clients of microfinance banks in Gombe state do apply for credit. Also, on whether clients do obtain credit from microfinance banks in Gombe state to expand their business activities, Table 4 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This indicates that all clients of microfinance banks in Gombe state do obtain credit after applying to expand their business activities. On whether clients of microfinance banks in Gombe state do obtain credit for the purpose of financing new investment project, Table 4 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This means that clients of microfinance banks in Gombe state do obtain credit to finance new investment project.

Furthermore, on whether the clients of microfinance banks in Gombe state are satisfied with the conditions of loan repayment, Table 4 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This is an indication that the clients of microfinance banks in Gombe state are satisfied with the conditions of loan repayment. Similarly, on whether nature of the business, rules and procedure and the mount of savings are the determinants of credit disbursement to the clients of microfinance banks in Gombe state, Table 4 that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This implies that nature of the business, rules and procedure and the mount of savings are the determinants of credit disbursement to the clients of microfinance banks in Gombe state.

Table 5.

Chi-Square test results on whether or not the poor at the grass root level benefits from the services of microfinance banks in gombe state.

	Clients do apply for credit from microfinance banks	Clients do obtain credit to expand their business activities	Clients do obtain credit for financing new investment project	Clients are satisfied with the conditions of loan repayment	Nature of the business, rules and procedure and the mount of savings are the determinants of credit disbursement to the clients
Chi-Square	610.463[a]	456.473[a]	329.191[b]	378.814[a]	460.463[a]
Df	4	4	3	4	4
Asymp. Sig.	.000	.000	.000	.000	.000

Source: Field Survey (December, 2021) using SPSS 23.0

Table 5 shows the chi-square results on whether or not the poor at the grass root level benefits from the services of microfinance banks in Gombe state. The results show the p-Values of all the items are less than 5% level of significance. This is an indication that the null hypothesis one of the study which states that poor at the grass root level do not significantly benefits from the services of microfinance

banks in Gombe State is rejected. This means that poor at the grass root level benefits from the services of microfinance banks in Gombe state.

4.3 Level of outreach and quality of services of microfinance banks

Table 6.
Respondents opinion whether the level of outreach and quality of services of microfinance banks in gombe state is commendable.

Statements	Respondents Perception on the Level of Outreach and Quality of Services of Microfinance Banks in Gombe State							
	SA	A	UD	DA	SD	Total	Mean	Std Dev.
1. Monitoring of loan given to small and medium scale investors by microfinance banks to see that it is used for the purpose it was collected is commendable	120 31.9%	203 54.0%	24 6.4%	25 6.6%	4 1.1%	376 100.0	4.09	0.86
2. Microfinance bank uses professionalism in handling their customers	101 26.9%	218 58.0%	33 8.8%	17 4.5%	3 0.8%	376 100.0	4.07	0.78
3. Microfinance banks avail customer with require information on services offered at any time	65 17.3%	251 66.8%	52 13.8%	4 1.1%	4 1.1%	376 100.0	3.98	0.67
4. Service rendered by Microfinance are fully commendable and appreciated	109 29.0%	184 48.9%	62 16.5%	17 4.5%	4 1.1%	376 100.0	4.00	0.86
5. Microfinance attend to all complains and suggestions appropriately	74 19.7%	222 59.0%	57 15.2%	21 5.6%	2 0.5%	376 100.0	3.92	0.78

Source: Field Survey (December, 2021) using SPSS 23.0

On whether monitoring of loan given to small and medium scale investors by microfinance banks to see that it is used for the purpose it was collected is commendable, Table 6 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This implies that monitoring of loan given to small and medium scale investors by microfinance banks to see that it is used for the purpose it was collected is commendable. Also, on whether microfinance bank uses professionalism in handling their customers, Table 6 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This indicates that microfinance bank uses professionalism in handling their customers.

Similarly, on whether microfinance banks avail customer with require information on services offered at any time, Table 6 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This implies that microfinance banks avail customer with require information on services offered at any time. On whether service rendered by Microfinance are fully commendable and appreciated, Table 6 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This means that service rendered by microfinance are fully commendable and appreciated. Furthermore, on whether microfinance banks attend to all complains and suggestions appropriately, Table 6 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This is an indication that microfinance attend to all complains and suggestions appropriately.

Table 7.
Chi-square test results on the level of outreach and quality of services of microfinance banks in gombe state is commendable.

	Monitoring of loan given to clients by microfinance banks is commendable	Microfinance bank uses professionalism in handling their customers	Microfinance banks avail customer with require information on services offered at any time	Service rendered by Microfinance are fully commendable and appreciated	Microfinance attend to all complains and suggestions appropriately
Chi-Square	379.665[a]	422.516[b]	554.346[a]	287.378[a]	401.314[a]
Df	4	4	4	4	4
Asymp. Sig.	.000	.000	.000	.000	.000

Source: Field Survey (December, 2021) using SPSS 23.0

Table 7 shows the chi-square results on the level of outreach and quality of services of microfinance banks in Gombe state. The results show that the p-Values of all the items are less than 5% level of significance. This means that the null hypothesis two of the study which states that the level of outreach and quality of services provided by microfinance banks in Gombe state is not significantly commendable is rejected. This implies that the level of outreach and quality of services of microfinance banks in Gombe state is commendable.

4.4 Impact of microfinance banks on micro business performance

Table 8.
Respondents opinion on whether the services of the microfinance banks have positive impacts on the micro business performance.

Statements	Whether the Services of the Microfinance Banks have Positive Impacts on the Micro Business Performance							
	SA	A	UD	DA	SD	Total	Mean	Std Dev.
1. Services rendered by microfinance banks make business to generate more profit	150 39.9%	152 40.4%	62 16.5%	6 1.6%	6 1.6%	376 100.0	4.15	0.87
2. Involvement in microfinance bank, boosted the income of clients to invest in other businesses	97 25.8%	242 64.4%	18 4.8%	13 3.5%	6 1.6%	376 100.0	4.09	0.76
3. Clients acquired more machines/properties/stock/assets after involvement in microfinance bank services	105 27.9%	229 60.9%	32 8.5%	7 1.9%	3 0.8%	376 100.0	4.13	0.70
4. Overall condition of the house and business premises (tile, roof, walls) is upgraded	87 23.1%	217 57.7%	61 16.2%	11 2.9%	0 0.0%	376 100.0	4.01	0.72
5. General standard of living of the clients is improved with involvement in microfinance bank services	124 33.0%	190 50.5%	45 12.0%	12 3.2%	5 1.3%	376 100.0	4.12	0.83

Source: Field Survey (December, 2021) using SPSS 23.0

On whether services rendered by microfinance banks make business to generate more profit, Table 8 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This implies that services rendered by microfinance banks make business to generate more profit. In addition, on whether involvement in microfinance bank, boosted the income of clients to invest in other businesses, Table 8 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This indicates that involvement in

microfinance bank, boosted the income of clients to invest in other businesses. Similarly, on whether clients acquired more machines/properties/stock/assets after involvement in microfinance bank services, Table 8 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This implies that clients acquired more machines/properties/stock/assets after involvement in microfinance bank services.

On whether overall condition of the house and business premises (tile, roof, walls) is upgraded, Table 8 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This means that overall condition of the house and business premises (tile, roof, walls) is upgraded. Furthermore, on whether general standard of living of the clients is improved with involvement in microfinance bank services, Table 8 shows that all the mean ratings are above the cut-off point of 3.0 which indicates that they all agreed with the statement. This is an indication that general standard of living of the clients is improved with involvement in microfinance bank services.
Table 9.

Chi-Square test results on whether the services of the microfinance banks have positive impacts on the micro business performance.

	Services rendered by microfinance banks make my business to generate more profit	My involvement in microfinance bank boosted my income	More assets were acquired after involvement in microfinance bank services	Overall condition of the house and business premises (tile, roof, walls) is upgraded	General standard of my living is improved with my involvement in microfinance bank services
Chi-Square	282.511[a]	534.931[a]	482.351[a]	246.340[b]	337.697[a]
Df	4	4	4	3	4
Asymp. Sig.	.000	.000	.000	.000	.000

Source: Field Survey (December, 2021) using SPSS 23.0

Table 9 shows the chi-square results on the level of outreach and quality of services of microfinance banks in Gombe state. The results show that the p-Values of all the items are less than 5% level of significance. This means that the null hypothesis three of the study which states that the services of the microfinance banks have not significantly impacted positively on the micro business performance is rejected. This implies that the services of the microfinance banks have positive impacts on the micro business performance.

5.   Findings, conclusion and recommendation and policy implication

Evidently, the following revealed the summary of the major findings of the study as obtained from the data presentations and analysis above

i.   The poor at the grass root level benefits from the services of microfinance banks in Gombe state.

ii.   The level of outreach and quality of services of microfinance banks in Gombe state is commendable.

iii.   The services of the microfinance banks have positive impacts on the micro business performance.

Based on the reviewed literature, study findings and objectives of the study, it is concluded that; microfinance bank play a significant positive role in alleviating poverty in Gombe State, Poor at the grass root level benefits from the services of microfinance banks. Also, the level of outreach and quality of services provided by microfinance banks in Gombe state is commendable. Likewise, the services of the microfinance banks have positive impacts on the micro business performance.

The study therefore proffered the following recommendations in a bid to enhance eradication of poverty in Gombe State via microfinance bank services.

i.   Microfinance can be more viable strategy for sustainable poverty alleviation by expansion of Program outreach and depth. Creation of more awareness programs would make people to apply for more credit facilities.

ii. The authorities concern should keep infrastructures in place that link more remote areas to market. Thereby lead to extension of microfinance bank services to remote areas in Gombe state. Also revisit the possibility of minimizing if not removing interest charges on credit facilities.

iii. Businesses are encouraging to patronize the services of microfinance bank as evidence provides that services rendered by microfinance banks make business to generate more profit, invest in other businesses, acquired more machines/properties/stock/assets and overall condition of the house and business premises (tile, roof, walls) is upgraded.

Lastly, the study proper below policy implication

i. Government at all level should strive to ensure Microfinance bank are doing their utmost best in discharging their mandate's. Awareness creation and outreach should be organised periodically to rural areas to enlighten them on the impact of MBF and how it reduces poverty, as shown from the studies.

ii. Government should continue to provide the conducive atmosphere for business and all effort should be put on deck to ensure resources are channeling where it was meant for.

iii. Also, a committee should be set to orient the rural dwellers on the impact of micro finance to their economic wellbeing.

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