IMPACT OF THE MICRO CREDIT SCHEME OF THE BANK OF AGRICULTURE ON THE LESS PRIVILEGED GROUPS IN BORNO STATE, NIGERIA

BY

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DEPARTMENT OF GEOGRAPHY, FACULTY OF SCIENCE

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DECLARATION

I declare that the work in this research, "IMPACT OF THE MICRO CREDIT SCHEME OF THE BANK OF AGRICULTURE ON THE LESS PRIVILEGED GROUPS IN BORNO STATE, NIGERIA", has been performed by me in the Department of Geography, under the supervision of Prof. J. A. Ariyo, Dr. J. O. Adefila and Dr. R. O. Yusuf. The information derived from the literature has been duly acknowledged in the text and a list of references provided. No part of this research was previously presented for another degree or diploma at this or any other institution.

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Isaac Andiyawa UBA Date

CERTIFICATION

This thesis entitled IMPACT OF THE MICRO CREDIT SCHEME OF THE BANK OF AGRICULTURE ON THE LESS PRIVILGED GROUPS IN BORNO STATE, NIGERIA by ISAAC ANDIYAWA UBA meets the regulations governing the award of the Degree of Doctor of Philosophy (Ph.D) in Rural Development of the Ahmadu Bello University, and is approved for its contribution to knowledge and literary presentation.

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DEDICATION

I dedicate this thesis to all less privileged rural populace worldwide.

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A C R O N Y M S

ACESA	Assessment of Communicative Effectiveness in Severe Aphasia
ACBPRP	Agency for Community-Based Poverty Reduction Project
ACGS	Agricultural Credit Guarantee Scheme
ATHP	Animal Traction and Hand tool Development Project
ATM	Automated Teller Machine
BOA	Bank of Agriculture Limited
BLP	Better Life Programme for Rural Women
BBC	British Broadcasting Corporation
CBN	Central Bank of Nigeria
CFSA	Consolidated Farm Services Agency
CGAP	Consultative Group to Assist the Poorest
CGT	Cameroon Gatsby Trust
CIRDAP	Centre on Integrated Rural Development for Asia and the Pacific
CISCOPE	Civil Society Coalition for Poverty Eradication
DFRRI	Directorate of Food Roads and Rural Infrastructure
DPO	Divisional Police Officer
ECOWAS	Economic Community of West African States
FAO	Food and Agricultural Organization
FCT	Federal Capital Territory
FEAP	Family Economic Advancement Programme
FINCA	Foundation for International Community Assistance
FSP	Family support Programme
GDP	Gross Domestic Product
HDI	Human Development Index

HIV/ AIDS Syndrome	Human Immunodeficiency Virus/Acquired Immune Deficiency
IFAD	International Fund for Agricultural Development
IWYEP	Integrated Women and Youth Empowerment P
KMO	Kaiser-Meyer- Olkin
LAP	Livestock Development Project
LAPO	Lift Above Poverty Organization
LGAs	Local Government Areas
MD/CEO	Managing Director/Chief Executive Officer
MFIs	Microfinance Institutions
MFPs	Microfinance Programmes
NACRDB	Nigerian Agricultural, Cooperative and Rural Development Bank
NACB	Nigerian Agricultural and Cooperative Bank
NAPEP	National Poverty Eradication Programme
NBA	Nigerian Bank of Agriculture
NBFIs	Non-Bank Financial Institutions
NDE	National Directorate of Employment
NEEDS	Nigerian Economic Empowerment and Development Strategy
NGOs	Non-Governmental Organisation
NRDCS	National Resources Development and Conservation Scheme
NSPFS	National Special Programme on Food Security
OECD	Organisation for Economic Co-operation and Development
PBN	People's Bank of Nigeria
PRODEM	Fundaciónpara la Promocion y Desarollo de la Microempresa
PROSEM	Promoción y ServiciosEmpresariales

PSLS	People's Start up Loan Scheme
RCCs	Rural Credit Cooperatives
RDA/FHA	Rural Development Administration/Farmers Home Administration
RECDS	Rural Economic Community Development Service
RIDS	Rural Infrastructural Development Scheme
RoSCAs	Rotating Savings and Credit Associations
RYTEP	Rural Youth Training and Employment Programme
SHG	Self Help Group
SOWESS	Social Welfare Services Scheme
SSS	State Security Service
UNCDF	United Nations Capital Development Fund
UN	United Nations
UNO	United Nations Organization
USA	United States of America
YES	Youth Empowerment Scheme

ABSTRACT

This research was aimed at examining the impact of the micro credit scheme of the BOA on the living conditions of the less privileged groups in Borno state and with a view to identify the areas of shortcomings and challenges. The objectives of the study include determining whether the intended target groups of the BOA have actually been reached; the influence of the micro credit investment inputs on the living standard of the targeted groups; and the extent to which human capacity building of the target groups have been achieved. Ten Local Government Areas were sampled out of the sixteen where the BOA micro credit actually exists in Borno state. The ten Local Government Areas have a total of 1099 micro credit beneficiaries, out of which 164 were selected through a purposive sampling technique for the study. The findings revealed that the less privileged groups reached with the micro credit were characterised more by social impediments than by physical impediments. The study also established that the information about BOA micro credit and its innovations were disseminated largely through personal contacts with friends, neighbours and relations. The micro loans actually given were all in cash and ranged between a minimum of =N=26,000.00 to a maximum of =N=200,000.00. Generally larger number of the borrowers collected lower amounts. Agricultural projects claimed the larger portion of the borrowers' investments than the non-agricultural projects. Chi-Square tests were used to test the mean differences of the living standard at statistical levels of significance p- 0.05. The results of the analyses have rejected the null- hypotheses. Factor Analysis Principal Components Extraction with Varimax Rotation was used to evaluate the effects of the micro credit investment inputs on the living standard variables set at statistical level of significance p- 0.5. The results showed all the rotated component matrix loaded above 0.5 and hence rejected the null-hypothesis. Chi-Square tests were also used to test the mean differences between the human capacity of the beneficiaries before and during the utilization of the loans at statistical levels of significance p- 0.05. The results of the analyses also rejected the null-hypotheses. Conclusive statement was drawn that the less privileged groups reached with the micro credit were empowered to begin pulling themselves out of poverty as recorded in improvement in their living standard during access to the BOA micro credit. It is recommended for other studies to be conducted in the area to assess the population of the existing less privileged groups; another to determine the extent to which the micro credit scheme of the BOA has reduced rural urban migration; and examine the extent it has encouraged the formation of co-operative societies among the less privileged groups as other objectives of BOA stated. The study further recommends that government should open more BOA branches in Northern Borno. The Bank management should also include more of the backstopping services ascribed for application with micro credit and remove the initial deposit demanded to qualify a borrower. The micro credit range should also be reviewed further to a minimum of =N=50,000.00 and a maximum of =N=100,000.00, and include more of the safety-net packages to suite the least privileged groups.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Worldwide, the pressing issue of socio-economic development has been the challenge of the division and the widening gap between the rich and the poor. The phenomenon is manifested between *individuals,* between regions in a country and between developed and developing countries. The gap is even wider between rural and urban populace in developing countries. It has been perceived that social problems in the societies around the world emanate from reactions to these divisions and the widening gaps. Recardo (2004), Sandra (2004) and Enrique (2004) all pointed to the same fact that the world's population can be divided into two groups- the rich and the poor. It has also been noted that the case has led to the worsening condition for the poor segments whose majority is rural based. In the effort to bridge the gap between the rich and the poor, rural development has been propagated globally.

The orthodox communities' approach to rural development of mere incentive for agricultural and forestry resources has shifted to a modern wider perspective of a broad range of rural development goals. Human capital, entrepreneurship and infrastructure all play important roles in the modern rural development. Modern rural development emphasizes local economic development strategies. The modern approach discovered in recent years that effective administration of cheap credit to the poor is a way of empowering them. It enables them to move out from the vicious circle of poverty. It is recognised in the recent years that by accessing capital to invest the local people can meaningfully bring about endogenous initiatives for their

development through the utilisation of their indigenous resource and skills; and there by alleviate their worsening conditions.

The lack of access to capital for investment has been identified as one of the main constraints to rural development. In response to that fact a number of commentators have advocated that the capital gap can only be bridged by making available to the rural poor affordable credit which they can invest to move their production beyond subsistence level (Roth, 1997; Central Bank of Nigeria, 2005; Gina, 1996; Mohammed and Hassan, 2008; Paul and Michael, 2011; and Ariyo and Mortimore, 2012). They noted in the developing countries that rural poor have often not been able to obtain formal credit because they lack collateral, steady employment and a qualification to gain access to conventional bank's credit. Micro credit is therefore designed to enable the very poor have access to credit.

Micro credit has been portrayed as a rural development panacea and a critical ingredient that was missing in previous rural development efforts. Paul and Michael (*op cit* p. 2) declared that, "Developed over the last twenty years, microcredit is one of the most effective tools we have to fight poverty". Yunus (2005: 1) asserted "If we can come up with a system which allows everybody access to credit while ensuring excellent repayment, I can give you a guarantee that poverty will not last long". In the same vein the Central Bank of Nigeria (2005: 5) noted that "Robust economic growth cannot be achieved without putting in place well focused programmes to reduce poverty through empowering the people by increasing their access to factors of production, especially credit". The Food and Agricultural Organization (FAO, 2000) and the UNO (2005) advocated for the granting of micro credit, particularly to the

rural poor and thus the UNO declared the year 2005 the "International Year of Micro credit".

In these authors context, micro credit means the small amount of money loaned to poor people to enhance their capacity to invest in productive activities to earn more and improvement their living standard. Obasanjo (2004) explains micro credit as "small loan packages provided to the poor to enhance their capacity to engage in productive activities for improvement of their livelihood".

In the effort to access cheap capital to the rural dwellers, the Nigerian government has launched over 60 rural development programmes between 1972 and 2012 as outlined in Appendix 1. The programmes provided services in cash or kind, directly or indirectly to enable the rural dwellers gain access to land, farm inputs, improved technology, relevant skills and rural infrastructure. Some prominent among the programmes include: Agricultural Credit Guarantee Scheme (ACGS), National Directorate of Employment (NDE), Community Bank Plc., People's Bank of Nigeria (PBN), Better Life Programme for Rural Women (BLP) later changed to Family Support Programme (FSP), the Nigerian Agricultural and Cooperative Bank (NACB), the Family Economic Advancement Programme (FEAP) and the Integrated Women and Youth Empowerment Programme (IWYEP).

After several assessments it has been observed that most of the programmes did not achieve their set objectives. One of the important reasons identified as being responsible for that was that the target groups were treated as a homogenous group; thus, the less privileged groups were inadvertently excluded from the credit schemes.

Such practices were experienced in China (Cheng, 2003) and India (Kochar, 1997). Akanji (2001) however observed that another reason why most of the programmes in Nigeria did not produce impressive result was not because of the issue of targeting or not targeting the specific groups, but how to equip the lending institutions to reach the poor at the least cost. Akanji (*op. cit*) reasoned that reaching the less privileged groups efficiently is possible only through informal lending.

The effort to rectify the flaws in the previous programmes led to reformulation of the Nigerian microfinance policy framework to effectively reach all the categories of the poor such as the destitute, unemployed and physically incapacitated with credit facilities. It was in line with the reformation that BOA structured its micro credit scheme that made the less privileged its primary target (NACRDB 2000). BOA was therefore mandated to serve as a formal, semi-formal and informal micro credit institution to effectively reach the less privileged groups.

The objectives set for BOA at its reformation in the year 2000 (NACRDB Brochure, 2000: 6) were the followings:

i. Purveyance of affordable credit facilities to the less privileged segments of the Nigerian society who cannot readily access the services of the conventional banks
ii. Acceptance of savings deposit from customers and the repayment of same with accrued interest as and when due
iii. Provision of opportunities for self-employment in the rural areas, thereby reducing rural to urban migration
iv. Augmentation of government efforts in the diversification of the productive base of the national economy

v. Inculcation of banking habits at the grass-root level of the Nigerian society
vi. Promotion of capacity building through the provision of relevant training and advisory services
vii. Fostering an accelerated growth and development of the agricultural rural economy
viii. Encouraging the formation of Co-operative societies at all levels

Referring to the objective one of the BOA at its reformation in 2000, the "less privileged segments of the Nigerian society" were further specified as the unemployed, low income earners such as peasant farmers, artisans, petty traders, bakers, hair dressers and the physically challenged. These groups cannot readily access the services of the conventional banks hence they necessarily require aids in form of micro credit to enable them invest in productive enterprises to gain more income that could pull them out of poverty.

The Loans Categories of BOA include: short, medium and long term loans. The amounts of the bank's credits are categorized into four which are- Micro-Credit, Macro credit, On-Lending loans and Special Project Loans. The micro credit is on short term basis of 24 months and the loan amount is limited to =N= 250,000.00 only. To qualify for the loan, a candidate must have an account transaction with the bank for 60 days if involved in farming enterprises and 100 days if non-farming enterprises; should also deposit 10% of the loan amount sought for agricultural and 30% for non-agricultural business. Interest rate charges on the loans are at 8% and 12% for agriculture and non-agriculture respectively. The Macro credit loans could be for small, medium and large scale agricultural projects owned by either individuals or cooperative groups. The On-Lending loans are funded by BOA and made through

reputable cooperative societies, cooperative finance agencies, joint liability groups, Community/microfinance Bank and informal groups. The Special Project Loans are funded by donors and other agencies such as the Economic Community of West African States (ECOWAS), the International Fund for Agricultural Development (IFAD), the Livestock Development Project (LAP) and the Animal Traction and Hand tool Development Project (ATHP). The target clients of the Special Project Loans include individual traders, artisans, civil servants and farmers; groups and institutions as cooperative societies, associations and banks, limited liability companies such medium and large scale farming, marketing and agro-processing. BOA account services cover Savings Account, Target Saving Scheme, Salary Accounts, Cooperatives Account and People's Start up Loan Scheme (PSLS). The services also cover Fixed Deposit and Government Revenue Accounts.

1.2 STATEMENT OF THE RESEARCH PROBLEM

BOA's well articulated objectives, operational strategies and branches spatially located nationwide are intended to support the Bank in realizing its founding objectives. The question is if the previous rural credit schemes offered by other prpgrammes have failed because they treated rural dwellers as a homogenous entity, would the micro credit scheme of the BOA that has targeted a specific less privileged segment have performed better in relieving the plight of the groups accessed? BOA has been running its micro credit schemes since year 2000 a period which seems long enough for the programme to have attained some level of achievement worth appraising. This concern for establishing the impact of the BOA micro credit services on the less privileged groups as addressed in this study

The performances of the micro credit scheme of the BOA have been variously reported from different studies which are highlighted as follows: *Tarauni (1996) studied the impact of the Nigerian Agricultural and Cooperative Bank (NACB) small holders' loan on the beneficiaries in Kura local government area of Kano State. The study did not specify the less privileged groups as its target. It only studied access and no access to loans, compared in terms of input use, productivity and income differences. The result confirmed that sustained credit to farmers increased their use of farm inputs which led to increased productivity.*

The United Nations Capital Development Fund (UNCDF) in 2003 assessed NACRDB's effectiveness in implementing its new policies and the desired impacts on individuals, households, communities and institutions targeted. The assessment found that BOA has played an important role in the delivery of financial services to particularly women, increased cooperative society branches and achieved a mass absolute numbers of clients as well as a laudable depth of micro credit outreach (Nigeria Companion Reports, 2003).

Ahmed, *et al* (2005) studied the impact of NACRDB loan on artisanal fishermen in Lake Kainji. T*he impact in relation to membership of the cooperative societies revealed that members had access to the loans, used modern fishing gears and generated incomes better than the non-members.* The beneficiaries earned a higher income of =N=1,000.00 ($ 5.00 US) to N9, 000.00 ($ 45.3 US) daily and the non-beneficiaries earned =N=1,000.00 ($ 5.00 US) to =N=6,000.00 ($ 30.2 US) daily from sales of fish caught, *having the difference of about =N= 3,000.00* ($ 15.1 US).

Jumare (2006) studied the 'Effects of Micro credit on Agricultural Production among Small Scale Farmers in Makarfi Local Government Area of Kaduna State. The findings show the effects of micro credit as positive and boosting the small scale farmer's production.

The Civil Society Coalition for Poverty Eradication (CISCOPE) analysed agricultural expenditures budget and investment in Nigeria (2000-2008) through reviewing the investment policy environment of Nigerian agriculture. It did not differentiate budgetary provisions into small-scale and commercial categories; failed to enhance targeting micro-credits to small-scale farmers and fails to gender microfinance by taking into accounts the needs and constraints of both men and women. It found Nigeria's capital budget execution in agriculture as poor (Ojah and Dom, 2009).

Ogah (2009) evaluated the impact of the First Bank Small Scale Credit on productivity in Kaduna state. It assessed the loan amount collected, spent on small, medium and large farm enterprises. The findings showed that farm sizes and farming experiences were important factors that influence farmers' use of the micro loans. And the use of fertilizer, labour and improved seeds were important variables that increase the farmers' productivity.

It is noted that in all micro credit programmes applied in Nigeria only the BOA has targeted a specific less privileged group. Equally, none of the studies examined the performances of the micro credit scheme of the BOA as it relates to this specific group. That is the objective one of BOA has not been assessed. This omission has left an essential knowledge gap which this study hopes to bridge. The study is therefore to

determine the extent to which the micro credit scheme of the BOA has reached the less privileged groups, empowered them, build their human capacity and improve their living conditions.

1.3 THE RESEARCH QUESTIONS

The study seeks to provide answers to the following questions:

i. Are the beneficiaries of the micro credit services those actually targeted?
ii. How are the borrowing and investment patterns of the BOA micro credit among the less privileged groups?
iii. What are the impacts of the micro credit scheme of the BOA on living standards of the beneficiaries?
iv. What are the contributions of individual micro credit inputs on the living standard of the beneficiaries?
v. To what extent has empowerment strategies of the BOA impacted the human capacity of the less privileged group beneficiaries?

1.4 AIM AND OBJECTIVES OF THE STUDY

The aim of the study is to assess the impact of the micro credit scheme of the BOA on the less privileged groups and with a view to identify the problems and challenges. The specific objectives pursued to achieve this aim were to:

i. assess whether the beneficiaries of micro credit are the less privileged groups targeted by the BOA

ii. evaluate the borrowing and investment patterns of the micro loans by the less privileged group beneficiaries

iii. evaluate the impact of micro credit scheme of the BOA on living standard of the beneficiaries

iv. examine the contributions of each micro credit inputs on the living standard of beneficiaries

v. determine the effectiveness of the human capacity programmes of the BOA on the less privileged groups

1.5 THE HYPOTHESES

The following null-hypotheses were postulated for the study and tested, that:-

i. there is no significant difference between the living standards of the beneficiaries before and during the use of BOA's micro credit
ii. there is no significant relationship between individual contributions of micro credit inputs and living standard variables of the beneficiaries
iii. there is no significant difference in the human capacity of beneficiaries before and during the use of the micro credit.

1.6 SCOPE OF THE STUDY

The study was set to examine the impact of BOA's objective of providing micro credit to a specified less privileged groups in Nigeria. However, the study has by implication extended its probe into the provision of self-employment opportunities, banking culture and human capacity building of BOA due to inter relatedness of the activities. Although there may be other micro credit access to the less privileged

groups, only the impact of micro credit scheme of the BOA is examined because of its specific credit policy targeting the less privileged groups. The study was conducted on the micro credit beneficiaries only. Two periods of before and during the beneficiaries' access to BOA micro credits were considered. BOA management mandatory lending is categorized into four schemes namely- (i) Micro credit, (ii) Macro loans, (iii) On-Lending and (iv) Special project loans. The research investigated only the Micro credit category with the scheduled amount for each client not exceeding =N=250,000.00 and 24 months for each loan term repayments.

Micro credit impact study generally is a vast area of inquiry; but the present study focuses mainly on Client Impact Assessment aspect which has five dimensions as outlined below:

i. **Client's access to micro loans and investments**: considering the amount received, investments made, gains achieved and improvement in savings capacity
ii. **Client's production, income and living standard:** focusing the magnitude of productive technique, management skills, generation of employments and improved living standard
iii. **Client empowerment:** determining participation, leadership and decision making power of the beneficiary
iv. **Client satisfaction:** ascertaining beneficiaries' preferences based on the likes and dislikes about micro credit scheme of the BOA
v. **Human capacity building:** determining BOA series of actions improving production techniques, management skills and develop attitudes needed to bring about the desired changes.

Exceptions were made for persons with severe disabilities such as paraplegia and blind, since they cannot manage any business by themselves. The less privileged groups considered were job losers, unemployed youth, victims of disaster, victims of violence, helpless widows, the outcaste or socially segregated, people living with HIV/AIDS, the orphans and the economically active too-poor (Obasanjo, 2004).

The study was conducted in ten local government areas of Borno State where the five BOA branches have served appropriately with its micro credit services.

1.7 JUSTIFICATION FOR THE STUDY

On the conceptual level, the findings of the study should support or dispute the assertion that access to micro credit is a major empowerment factor that can lift the less privileged out of poverty. At the policy level, the findings would make it possible to ascertain whether the application of micro credit scheme targeting specific segments of the society has produced positive impact. The findings of the study would enable the Federal Government decide objectively whether or not on its stand to expand BOA's micro credit programme to reach more of the less privileged groups. It also enables the United Nations (UN) realizes its objectives of micro-finance propagation "to increase the number of sustainable microfinance operations that provide quality financial services to the poor and low income customers…." (Nigeria Companion Report, 2003: 9).

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This literature review attempts to explore all the relevant issues that explain how micro credit contributes to bringing the anticipated changes in the rural socio-economy. It reviewed the role of micro credit in production and poverty eradication. It examined conceptual and policy issues relating to micro credit. The implications of targeting the poor with micro credit were identified. The UN's Millennium Development Goals' position on micro credit is presented. Models of micro credit were outlined; the global experiences of micro credit programmes and micro credit institutions' innovations were explored. Rural poverty and poverty eradication and rural development efforts made in Nigeria were looked at. Conclusion was made as how the review unfolds the need to assess the impact of the micro credit scheme of the Bank of Agriculture (BOA) on the less privileged groups in Nigeria.

2.2 THE ROLE OF MICRO CREDIT IN PRODUCTION AND POVERTY ERADICATION

The proceedings are experiences of micro credit around the world and views of different authors and organizations reporting the issues. It presented the role played by micro credit on poverty reduction among rural poor. United Nations Publication (1997) noted that in many countries micro credit programmes have proved to be an effective tool in freeing people from poverty and has helped to increase their participation in economic and political processes. The UN Assembly called upon relevant organs, organizations and bodies of the UN system involved in fighting

poverty to explore micro credit as a tool for eradicating poverty. The UNs vision of micro credit is to unleash human creativity of the poor and to guarantee every poor person the chance to undertake the responsibility for establishing his or her own human dignity. Micro-credit programmes are for the success of millions who would be determined to transform their lives from extreme poverty to dignified self-sufficiency. This is an international effort to broaden the reach of small loans to at least 100 million of the world's poorest people by 2005 (CIRDAP, 2011).

Roth (1997) said that a system of credit is necessary for capitalist development and that rural entrepreneurs need credit to begin their organizations. He noted that in developing countries rural people have often not been able to obtain formal credit because they lack collateral, steady employment and a qualification to gain access to conventional bank' credit. According to the United Nations (1997), the poorest of the poor are usually not in the position to undertake any economic activity because they lack the business skills and the motivation. The very poor are therefore those targeted with micro credit.

It is inferred from literature that there are three conceptual credit systems; 'Microfinance' 'Micro Credit' and 'Safety Net'. All the three are initiatives involving financial and non-financial credit facilities with supportive social services. They sequentially evolved in the effort to bridge the widening gap between the rich and the poor. Their unique objective was to improve the living standard of the lower income populace. The three concepts- 'Microfinance' 'Micro Credit' and 'Safety Net' are differentiated by their levels of services, amounts of financial offers and the target groups.

The effort of Nigeria by establishing BOA is in line with international efforts to free people from poverty. But it has been shown clear that micro credit is suitable for those who are determined to transform their lives. It is also viewed that micro credit is not for every poor person, since most of the very poor lack business skills and motivations. Here extra efforts have to be made to cover such groups and that's could be the special mandate given to BOA- impacting the less privileged with micro credit. Also Roth (op cit) views micro credit as suitable for developing economy which Nigeria seems to be one.

2.3 CONCEPTUAL ISSUES RELATING TO MICRO CREDIT

"Micro finance is defined as the provision of thrift credit and other financial services and products of very small amount to the poor in rural, semi-urban and urban areas for enabling them to raise their income levels and improve living standard" (Debalina and Koushik, 2010). Microfinance is therefore that part of the financial sector which comprises formal and informal financial institutions that provide small-size financial services, mostly to the lower income segments of the population. Micro-finance addresses a full range of banking needs of poor people. It includes micro credit, micro-savings, micro-insurance and micro-fund transfers targeted to low-income (United Nations publication, 1997). Efforts are made to bring technologies to the rural areas through micro financing (Neeta and Diwan, 2010). The institutions that provide micro finance services include non-governmental organizations (NGOs), credit unions, non-bank finance intermediaries, commercial banks and government institutions.

According to Microsoft® Encarta® (2009), micro credit is the extension of credits to entrepreneurs and microenterprises too poor to qualify for conventional banks' loans.

According to Organisation for Economic Cooperation and Development (OECD) in Zecchini (1996), United Nations publication (1997), South African Government (2000), FAO (2000), United Nations Organization (2005), European Commission (2007), World Bank (2008), Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP, 2011) and Nigerian Agricultural, Cooperative and Rural Development Bank (NACRDB, 2000) "micro credit" is the name given to the extremely small loans made for poor borrowers in the rural areas for enabling them generate income, improve living standards to care for themselves and their families. Micro credit is based on a separate set of principles which distinguished it from general financing credit. The principle is to impart the following on the rural poor: social organization, trust building, initiative, entrepreneurial development, self-employment, income generation, sustainable banking, poverty alleviation, women empowerment, self-reliance, human rights, peace and prosperity. Micro credit is a part of microfinance that is typically geared to lower inequality (Debalina and Koushik, *op. cit*). Microcredit can curtail the able-bodied drifting from the rural areas into the urban centers causing leviathan poverty among the majority urban low incomes. Micro credit is applied as a veritable tool for fighting poverty at the grassroots level by extending very small loans designed to spur entrepreneurship among those in poverty.

United Nations publication (*op. cit*) explains that steady jobs and income have eluded the very poor and to get by, many people create and run their own tiny businesses such as produce selling, shoes shining, weaving of mats and baskets, baking of foods, hair dressing and dress making around the market areas. The small amounts of micro credit can make the difference between absolute poverty and a thriving little business

that generates income to feed the family, send kids to school and build houses. It further explained in terms of micro credit amount, most commercial banks in US will not make small business loans below $10,000. (=N=1,400,000.00) which the beginner low-income entrepreneurs in the developing countries cannot afford to borrow nor can utilise such a huge capital efficiently. In the developing economies the loan of $100 (=N= 24,000.00) is a fortune to the poorest micro entrepreneurs. They can invest the money to make their labour far more productive by buying a fairly used sewing machine to make dresses faster than by hand-stitching; buy a fairly used refrigerator to keep the produce they sell from getting bad overnight, buy thread in bulk at wholesale prices for weaving to make more on every item.

In practice, micro credit extends an unsecured collateral-free loan at interest and not charity or subsidy but in long term has to cover all the cost of operation by its own income to reach self-sustainability explains the OECD. Experiences around the world have shown that micro entrepreneurs do not need subsidies and that micro lenders cannot afford to subsidize the borrowers. Low income entrepreneurs want rapid and continued access to financial services, rather than subsidies (Seibel, 2007). Debalina and Koushik (*op. cit*) identified more than 10,000 micro credit lending institutions worldwide with an estimated 16 million people borrowing loans.

It is in line with this development how micro credit is proving its success in reducing poverty around the world, the Federal Government of Nigeria also established several micro finance institutions that offer micro credit services to the rural poor. Equally, the State Governments, Local Government and Non-Governmental Organisations are participating but are still called to give more support to micro credit provision.

Despite the fact that micro credit is successful and benefits many, it clearly does not reach and benefit all the less privileged groups in the rural areas, thus safety nets are needed as a necessary part of micro credit services to provide additional socio-economic securities. For instance, orphans, disabled, people affected by HIV/AIDS, the elderly and the likes are not all properly registered and receive benefit to which they are entitled just as South African Government (2000) noticed in its country. To these groups safety net packages are designed. According to the Microsoft® Encarta® (2009) 'safety net' means protection for people in difficulty; something intended to help people in the event of hardship or misfortune, something providing financial security, for example, insurance or welfare payments.

Devereux (2009) outlined safety net programmes as follows: Cash Transfer Programmes, Food Based Safety Net Programmes, Related Transfer Programmes, Supplementary Feeding Programmes, Food-for-Work Programmes, Food Stamp Programmes, Public Work for wage Programmes, Employment generation for the poorest Programmes, Price Subsidies programmes, Human Capital Related programmes, and Informal Saving and Insurance Programmes. "The recommendations boarders on the need for social safety net to guarantee the right of rural people to food and other good things of life during the period of global economic downturn" World Bank (2012).

This review has specified that those less privileged targeted with micro credit include those without steady jobs and no steady income such as shoe shiners, mat and basket weavers, food bakers, hair dressers, tailors and the likes. In view of theses, micro credit operates on a separate principles which include; social organization, trust

building, initiative, entrepreneurial development, self-employment, sustainable banking, human right, peace and prosperity. Looking at these, the application of the micro credit of the BOA is in conformity with the principles.

2.4 IMPLICATIONS OF TARGETING THE POOR WITH MICRO CREDIT

Kabeer (2002) explained that targeting is an issue of reducing leakages in the services as well as increasing the efficiency of programmes in reaching the intended poorest beneficiaries. Targeting comes with associated set of costs. Targeting requires adequate resources to be spent on screening, delivery and monitoring of the targeted population. The more the targeting criteria the higher will be the administrative costs. Kabeer says trade-offs exist in the process of targeting the poorest which manifest in two kinds of errors: E-errors entail the inclusion of non-eligible participants and F-errors entail the exclusion of the eligible participants. Which error is considered least desirable depends on whether priority is given to poverty reduction goals and hence to the 'inclusion' of the non-eligible, or whether priority is given to efficiency in use of resources and hence to the exclusion of the eligible.

2.5 MICRO CREDIT IN THE UN'S MILLENNIUM DEVELOPMENT GOALS

Lamiya (2006) reported that Micro credit Summit launched 1997 with Summit goal of reaching 100 million poorest families with micro credit by 2005 and that goal has been reached and even exceeded. This success speaks of replications and effectiveness of micro credit programmes in a varying economic, political and socio-cultural contexts. More important is that it reaches the very poor and those reached come out of poverty within a definable time frame. The Micro credit Summit and the United Nations Millennium Development Goals have announced two new goals to be

reached by 2015, which include reaching 175 million poorest families with micro credit and ensuring that 100 million of those families graduate out of poverty by the 2015. This is by innovative and cost effective ways to reach the poorest and enable them work out of poverty through their own efforts.

2.6 MODELS OF MICRO CREDIT

There are various credit lending models currently being used by micro loan institutions throughout the world which are distinctively identified 14 models. The 14 models are explained in (Debalina and Koushik, 2010) and (Virtual Library on Microcredit). The models include Associations, Bank guarantees, community banking, Cooperatives, Credit unions, Grameen, Group, individuals, intermediaries, NGOs, Peer pressures, Rotating Savings and Credit Associations (RoSCAs), Small business and Village banking models. In reality the models are closely related to each other. Based on their similarities these fourteen lending practices are still grouped under five broad practices as follows:

2.6.1 Solidarity Group Lending Model

Debalina and Koushik (*op cit*) explain that this involves the formation of small groups among member borrowers for the collective assurance of loan repayment in place of material collateral. Repayment of each loan maintains access to subsequent future loans. Two examples are the Grameen Bank and the Latin American model.

The Grameen Bank makes the borrowers organize themselves into small peer groups of members who mutually guarantee repayment of each other's loans. The groups form a village centre where borrowers make loan repayments at mandatory weekly meetings. The weekly meetings are used to promote discipline and to

disseminate social services information. Women, especially the poorest are the targets. The objectives of Grameen credit are to helps poor persons and families to overcome poverty, promote credit as a human right, create self-employment for the poor, challenge the conventional banking which rejects the poor as '*not creditworthy'*, provide services at the poor's door-step on the principle that the bank should go to the people and not the poor follow the bank, establish the bond based on 'trust' not collateral or legal enforcement, loans can be received in a continuous sequence as new loan becomes available if the previous loan is repaid, enable more than one loan simultaneously be received by a capable borrower, loan repayments are installment either weekly, biweekly or monthly, permits both obligatory and voluntary savings for the borrowers, high priority given to social capital as leadership qualities through annual elections of the group and centre leaders, Grameen emphasizes human capital development through children's education, provides scholarships and student's higher education loans. It promotes technologies like mobile phones, solar energy and mechanical power. These elements of Grameen credit work together to make it an effective and sustainable institution geared exclusively to the needs of the poor borrowers Lamiya (2006) and (Neeta and Diwan, *op. cit*). Grammen method becomes prevalently popular in Asia, Africa and Latin American countries.

2.6.2 The Grameen American (GA) Model

Debalina and Koushik (*op cit*) observed that this is one of the many recent attempts to replicate the success of Grameen Bank model in the developed world. The Latin American model is solidarity group lending approach that makes loans to individual borrowers organized in groups of less than ten. Loan-worthiness is determined on the

basis of local knowledge and new class of clients of borrowers below the federal poverty line – primarily women, street vendors, street merchants and home-based producers of food and trinkets. Borrowers each receives a first time loan from $1500 to $2000. Loans are repaid weekly at programme offices. Interest rates are normally higher than Grameen model because of organizational funding differences. These groups form the foundation of the Grameen and continued loans are contingent upon members of the group policing and supporting themselves. Borrower members guarantee each member's loan in place of collateral. If one person defaults the whole group will be ineligible. Borrowers receive minimal technical training and organizational assistance. Services are much less than in the Grameen model. The observed weaknesses of GA are that the target is much biased towards developing women workers and traditional wage labour second-best.

2.6.3 Individual Lending Model

Debalina and Koushik (*op cit*) continue explaining that this model provides credit access to individual borrowers who are selected on an individual discretionary basis and often have at least some small form of fixed assets or income. Beneficiaries are generally micro entrepreneurs in the informal sector - usually urban micro entrepreneurs or small farmers. Borrowers are often provided with minimal technical assistance. Target groups vary between institutions. Institutions offering this type of lending are found in Indonesia, Colombia, Dominican Republic, Sénégal, India, los Andes and Bolivia.

2.6.4 Village Banking Model

According to Debalina and Koushik (*op cit*) the Village Banks are established in relatively stable communities through the initial assistance of a sponsoring agency.

The sponsoring agency lends seed capital to a newly organized bank composed from between ten to fifty self-selected members who collectively guarantee repayment of the amount. Members are originally granted small loans from this initial capital, which is gradually increased through mandatory member savings. Sizes of future loans are granted in proportion to accumulated savings in the hopes of eventual borrower graduation from the programme once a certain loan level has been reached.

2.6.5 Credit Union Model

Debalina and Koushik (*op cit*) further explain that Credit Union Models vary in their institutional approaches. They provide savings and loan services to members - usually low-income micro entrepreneurs. Saving is a prerequisite to loan access. Low-cost loans serve as incentives to saving. Credit unions rarely provide training and technical assistance or other backstop services; literacy programmes are common service of African credit unions. ROSCAs are common in Africa.

Viewing at the characteristics of these practicing models, it is clear that the micro credit scheme of the BOA has adopted many of the characters those which suitable in the nation's economy, political conditions and the population character such as literacy levels, occupation and enterprises of engagements,

2.7 GLOBAL EXPERIENCES OF MICRO CREDIT PROGRAMMES

The literature has shown that micro credit application is adopted in many countries around the Globe. In the countries' experiences some contrasting features are found, a few among which are the cases of China, India, North America, Europe, Tanzania and Cameroon, as are highlighted below.

2.7.1 Micro-credit experience in China

Cheng (2003) reported the case of Chinese programmes that targeted the poorest of the poor (or the core poor) and very poor households in the very poor areas. The rationale of the design is that micro-loans can reach out to the poor households only when the better-off ones are no longer interested in the loans. A higher borrowing cost provides a negative incentive for the better-off households. This technique of micro-loan application in China has been called automatic target of the poor. China disbursed a heavily subsidized poverty loans through the state banks in China since the middle 1980s, but have basically failed to target the very poor in the poor areas. The failure was seen to be due to the fact that the demands for micro-loans were positively related to the household incomes; opportunities for off-farm investments and educational level of female borrowers. Thus the programme in China has yet targeted the middle incomes rather than the very poor. The very rich were effectively excluded, but among the eligible households, the borrowers of micro-loans in the project areas were mainly the middle and above middle income households. Loan officials and centre chiefs who are responsible for screening the micro-loan applicants, based on their loan repayments capacities tends to exclude more poor applicants from micro-loans and many poor households also rationed themselves out of the micro-credit market.

Individual and group lending were put into practice in 1996 and popularized in 2000. The loan interest rate was decided by Rural Credit Cooperatives (RCCs) based on the basic interest rate set by People's Bank of China. Loan term was always 1 year. At the end of 2002, 93% of RCCs were operating micro-credit loans, and more than 20% rural households got micro-credit loans. The group lending was proposed when the

loan size was relatively bigger. The loan group consists of 3-5 rural households who have mutual monitoring among themselves. However, micro credit has still been found to have contributed positively to poverty reduction in China. It was found that the grain production per person, net income and asset acquisition of the participating households are significantly higher than those for non-participating households.

The following weaknesses were found in the China's micro credit programmes. Loan granting process was not normatively clear which induced human resources wasting and increased management cost; Credit risks still exist as it was not clearly stated who should be responsible to the final repayment when some group members fail to pay back; Post loan monitoring was not adequate because the capital and resources for post-loan monitoring are limited; The sustainability of RCCs was being challenged by relatively high operation cost and high credit risk; Micro-credit organizations lack incentives and courage to go further; Borrowers lack pressure to make good use of micro-credit loan; The interest rate of micro-credit loan in rural China was always lower than market loan interest rate that gives the borrowers wrong notions that it is easy to pay back loan and the interest thus borrowers would not try their best to use the loan adequately (Yu, *et al* 2007). Cheng (*op cit*) further reported that policy recommendations for successful micro credit reaching out to the very poor households in poor areas of China include provision of basic education, health services, infrastructure and extension services that would raise their investment opportunities and repayment capacities hence raise their demand for micro-loans.

2.7.2 Micro-Credit Experience in India

Kochar (1997) found that the extent of credit rationing in India was considerably less than what was conventionally assumed by demand for credit. The extent of outreach

achieved by a given institution was found to be dependent on the supply as well as demand for micro-loans. In the case of India the household demand for micro credit is positively related to household incomes, literacy level of the female borrowers and here household investment opportunities depends on both farm and off farm productions. A few households have no demand for micro loans because they do not understand it. Equally, the poor effectively rationed themselves out of micro credit market. The risk rationed households are the very poor households in the project areas, but which were the official target of the micro credit programmes in India.

2.7.3 North American Adaptations of Micro Credit

Microcredit is not only provided in poor countries, but also in the United States of America (USA), one of the world's richest countries where only 12.6% of the population lives below the poverty line (Debalina and Koushik, 2010). It was reported that markets for micro credit have been those left out as unfit for loans of the conventional financial institutions, those weak to attract market-based investment capital and those with less personal financial resources. Most of North American micro credit programmes were non-profit organisations that extend credit through a revolving loan fund and provide management assistance to the owners of microenterprises. Neeta and Diwan (2010) say that according to Jonathan Morduch, micro loans have less appeal in the US because people think it is too difficult to escape poverty through private enterprise. However, the developing country's microenterprise models which focus on rural or urban disadvantaged populations have been adapted to fit certain market gaps within a relatively sophisticated credit and business development environment. Lessons learnt were that North American

programmes have made modifications to make micro credit an effective tool in a financially complex and sophisticated economy.

2.7.4 Micro Credit Provisions in the European Countries

European Commission (2007) has disclosed the following facts about micro credit experience in the European Union. In Europe micro credit is placed high on the European agenda and generally recognised by Member States and European Institutions. It was widely popularised as an area of significant impact on entrepreneurship, economic growth and social inclusion. The target group for microcredit in Europe was even wider because there was a growing trend towards the creation of one-person self-employed businesses, particularly for unemployed people.

In Europe, micro credit is defined as a loan of up to (EUR 25,000.00) provided to new or existing micro-enterprises, although depending on the target group the sums can be much smaller, especially in the lower market segment. The provisions of consumer loans are not regarded as micro credit, notwithstanding this, the small loans granted to people at risk of social exclusion are regarded as micro credit since such loans enable them to engage in an economic activity. Setting interest rate caps too low which prevent charging interest rates that could cover the higher risk and higher administrative costs hinder the provision of micro credit in Europe. However, closer co-operation with existing business support services could help to slash down costs and increase the chances for longer term survival of the enterprise. Public support schemes have proved to be an important complementary tool for micro credit in Europe.

Institutions identified as providers of micro credit in Europe comprise of commercial banks, savings banks, cooperative banks, microfinance banks, foundations, non-profit associations and credit unions. These providers are classified by their institutional models into banks and non-banks and categorise the different target groups as bankable and non-bankable entrepreneurs. Countries that provide micro credit in Europe include Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Poland, Romania, Slovakia, Sweden, Turkey and United Kingdom (European Commission, 2007).

2.7.5 Micro Credit in Tanzania

Zoë and Sally (1997) reporting from a special credit scheme for women in Kilimanjaro, Northern Tanzania demonstrated somewhat a disparity between the rhetoric of empowerment and the actual planning and implementation procedures. Also studying the Rural Youth Training and Employment Programme (RYTEP) in Tanzania discovered some digressions from the Grameen approach. The Tanzanian approaches displayed a top-down implementation, too little emphasis on participatory processes, too little effort given to business training, women predominant implementers and negligence of the legal aspects of soft loans features, no clear who bore the legal responsibility of the loan within the households which resulted in serious quarrels between spouses in some houses. All these corresponded badly to the stated aims of empowerment.

The Tanzanian programmes suffered from low repayment rates (less than 60 per cent in 1993) and when repayments were not made, bank and donor staff threatened participants with court actions. Many men in the area opposed their wives taking

loans, and a running joke was, "if you want to get rid of your house and your farm, you just go ahead and allow your wife to take a loan" Zoë and Sally (1997).

2.7.6 Micro Credit Experience in Cameroon

Micro credit programmes were implemented through the Cameroon Gatsby Trust (CGT), a sustainable financial institution. Financial and non-financial services for producers, processors and traders have developed over a period of almost 20 years in Cameroon. Improved varieties crops were multiplied and disseminated and at the same time micro credit were provided to the producers. During a third phase of the programme individual credit was replaced by association and solidarity group lending. By 2003 a range of non-financial services comprising skills training in such works as soap-making, tie-dye making, food conservation and tuber multiplication was added. There were also groups and associations' management trainings, and facilitation of local and regional trade fair participation (Seibel, 2007).

In a nutshell, micro credit is found to be provided globally in both developed and developing nations. Developed nations like the United States of America, China, Europe, India and many others have tried micro credit. Likewise, many underdeveloped countries like Afghanistan, Tajikistan, Sierra Leone, Bosnia and Herzegovina have even emphasized how micro credit stimulates growth and development of the rural sectors in their respective countries.

2.8 CRITICISMS ON MICRO CREDIT

The recognition of the flaws of micro-credit programmes in reaching the extreme poor has elicited a number of responses. There are those who argued that micro credit

is not relevant for the poorest of the poor and the most illiterate of the illiterates. Others saw in practice the better-offs are targeted better than the poorest. Some see the management staff mismanaging the programmes funds.

2.8.1 Micro Credit as Not Appropriate for the Poorest and Most Illiterate

Kabeer (2002) argues that the very poor would be more likely to benefit from the wage employment through public works programmes than from the provision of micro credit. That for poverty reduction among the poorest wage employment is necessary. It also argues that micro credit practice has merely replaced the older dependency relationships between the poor and the moneylenders with new forms of dependency between poor people and the purportedly pro-poor non-governmental organisations.

United Nations (1997) discloses that if one of the aims of rural development is to assist the 'poorest of the poor', then micro credit has proven not always the most appropriate intervention. The UN's comprehensive study of 13 micro credit schemes in Asia, Africa and South America indicates that the benefits of the micro credit schemes under study were not scale neutral – the upper and the middle income poor tended to benefit more than the poorest of the poor. There have been allegations that the very poor are so weak as not to benefit from micro lending and that it is the 'better-off poor' that benefit more. Other studies of 10 micro finance institutions in different countries showed that over half of the institutions simply excluded the poorest of the poor outright or allowing only very small percentage to take part in the schemes. Those who engaged the poorest resulted to high rates of enterprises failure.

The non-productive use of credit lies in the fact that the poor consume rather than investing their loans.

Hulme and Mosly (1996) see that none of the institutions influenced investment in risk reducing activities and only few gave additional assistance during crises periods. The 'poorest of the poor' always benefited the least and always the riskiest clients despite of all the lip service paid to serve the group. Professor Dean Karlan of Yale University responded in an interview with the British Broadcasting Corporation (BBC) Radio business weekly programme (2011) that micro credits were loaned to people with existing businesses and not to those seeking to establish new ones; and that most of the women often acts merely as collection agents for their husbands and sons to spend the money living the women saddled with the credit risk. He noted some of the loans sink into a cycle of debts by using the money to meet interest obligations of another loan

Roth (1997) made some observations that rendered micro credit as not appropriate for the poorest. He noted that lending to poor rural people is an extremely risky business since mostly invested on agriculture which is a very risky enterprise depending on climatic conditions. Also most rural micro loans are often used for purchasing seeds, fertilizer, pesticides and herbicides which con not be recovered if the crop fail. Roth continue to say that the actual micro loan amounts transactions are relatively small while the rural micro enterprises are often dispersed over wide areas which require relatively large amount of non interest earning cash to serve the dispersed clients. He noted that most able rural people tend to be very mobile between rural and urban areas which can facilitate debt evasion; and sees information about borrower's credit worthiness needs to be extracted on a personal basis which such opportunities hardly

exist in the rural areas. He sees those who promote micro credit as a panacea for rural poverty overlooked at the fact that poverty is frequently the result of powerlessness and they often treat the symptoms (poverty) and not the causes (powerlessness). Such promoters ignore the complex matrix of power relations that circumscribe the capacities of the rural poor to run micro enterprises.

The preceding criticisms have appeared meaningful, but alternative actions have not been provided rather than recommending some approaches to combine with micro credit. Micro credit approach still remains greatest tool to fight rural poverty.

2.8.2 The Limitations of Micro Credit

Poverty eradication implies improving every aspect of the poor's life. The process involves ensuring greater access to productive resources, such as land, capital and technology. It ensures opportunities to participate in the decisions that affect the poor's lives and develop skills needed to improve their living conditions. It takes into account the social and cultural dimensions of development. Poverty eradication is therefore a complex process which cannot be successfully intervened in any one area like micro credit (Edike, 2002).

Roth (1997) said "Maybe our great grand-children will go to museums to see what poverty was." This claim fails to consider the complex nature of rural enterprise which depends on a range of factors of which access to micro credit is only one. It is argued that micro credit alone is not a sufficient condition for a successful rural enterprise talk less of sending poverty to museum, because there are other strong factors as infrastructure, human and social capitals, information, appropriate skills

and legal system for enforcing contracts and settling disputes which micro credit cannot provide.

Roth continued to say that underdevelopment and poverty has been attributed to so-called dependency theory which micro credit cannot salvage. On the local levels those with social power can ensure economic returns to their social power by appropriating all the benefits obtained from micro credit schemes. This was experienced on a micro credit project that lent money to tenant farmers to finance the purchase of high yield variety crops and while the project successfully allowed high yield variety crops, the farmers did not enjoy the benefits because all the additional profit was simply appropriated by the landlords who increased the rents amount and the micro finance providers could not help to improve the lot of the tenant.

Neeta and Diwan (2010) stated, that the support of micro-finance agencies including banks is not reaching at the grassroots levels and therefore, most of the development programmes get diluted or ineffective and many a times they don't even take off. It is also seen that in the rural areas people are not much aware about the micro finance schemes and their benefits.

United Nations publication (2003) stated circumstances in which micro credit cannot be appropriate poverty intervention tool. Where the populations are geographically dispersed or nomadic may not be suitable; Micro credit may not be appropriate for populations with a high incidence of debilitating illnesses such as HIV/AIDS; Dependence on a single economic activity or single agricultural crop, or reliance on barter rather than cash transactions may pose problems to micro credit transactions; The presence of hyper-inflation may stress the ability of micro credit to operate;

Micro credit is also much more difficult when laws and regulations create significant barriers to the sustainability of micro credit providers (for example, by mandating interest-rate caps)

Micro credit is limited to the fact that not all programmes will be appropriate for the needs of people in different areas nor will all desired programmes be financially sustainable within the package of resources available in any given area at a point in time (South African Government, 2000). "The promotion of micro finance as a development intervention is consistent with theories of methodological individualism in that it present a picture of lone individuals operating in a vacuum who, but for a lack of credit, would be able to be successful entrepreneur" (Zoë and Sally, 1997).

These are but few of the striking observations made as limitations of the concept that micro credit is a perfect intervention for tackling rural poverty.

2.9 MICRO CREDIT INSTITUTIONS' INNOVATIONS

In the process of developing micro credit to serve the poorest, several innovations were made to achieve the desired outreach and sustainability of the programmes. Among others, Debalina and Koushik (2010), Roth (1997), Fiasse (2011) United Nations publication (1997) and Lift Above Poverty Organisation (LAPO) have prominently contributed in bringing out innovations that specifically make micro credit an effective tool for eradicating poverty among the rural poor.

2.9.1 Trust-Responsiveness, Graduation Rate, Agricultural Insurance, Self Help Group Programme and Peer Pressure Innovations

Debalina and Koushik (2010) presented some of the innovations as follows: That Pelligra introduced the concept of trust-responsiveness in the lender-borrower relationship and formalized it. Ahlin and Jiang attested that micro credit's long-run effects should be the graduation rate at which the self-employed build up enough wealth to start full-scale firms. Skees and Barnett developed agricultural insurance in low-income countries. Swain and Floro developed a theoretical framework on the effects of the Self Help Group programme on the beneficiaries' earnings and empowerment and its influence on their households' ability to manage risks. They explained 'Self-Help Group' as a registered or unregistered group of micro entrepreneurs having homogenous social and economic background, voluntarily coming together to save small amounts regularly to mutually agree to contribute to a common fund and to meet their emergency needs on mutual help basis. The group members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. Peer pressure has been accepted as an effective substitute for collaterals. Micro savings can be done on weekly, monthly or yearly basis; also repayment of loans can be on the same interval basis. First two weeks will remain as a grace period to reduce the loan burden on the borrowers. Loan Amounts are increased based on the performance of the borrowers. Costs associated with microcredit are Borrowing Costs charges (28-37%), Formation Cost (19-23%) and Risk of Recovery comprising of willful and non-willful defaults especially when the poor have hardly any asset to pledge as 'collateral'. This issue has been taken care of in the case of bank. In the case of Selp Help Groups (SHG) linkage, the group guarantees the loan on behalf of the individual borrower. Some micro finance

institutions have instituted insurance schemes at very low premiums to protect the borrower in the event of sudden death where the outstanding amount including interest is written off.

2.9.2 Ensures Only the Very Poor be Interested, Solidarity Groups, Rebates Offer, Bottom-Up Process and Promotes Free Market Culture Innovation

Roth (1997) contribution to the innovation are that since micro credit's aim is to target the poorest, very small amount of loans should be supplied to ensure that only the very poor would be interested to apply. Since the borrowers do not have formal business plan and formal records, screening loan applicants should be done by lending only to members in solidarity groups as credit worthy. Incentives are created to encourage repayments in the context of collateral free loans. Rebates are offered to regular credit payers as well as lending greater amount to group/individuals that regularly pay in time. Saving certain initial amount of money should precondition the borrowers' demand for micro credit. Empowerment should essentially be a bottom-up process rather than the top-down strategy. This means that development agencies cannot claim to empower women rather the women should empower themselves. Roth saw micro credit promises to deliver self-financing poverty reduction, provides loans and not grants, creates entrepreneurs who are in touch with local markets, develops new market and promotes free market culture. It would eventually be removed from the state formal enterprises to involve a minimum state intervention.

2.9.3 Disables' Contribution and Awareness Programme Innovation

Fiasse (2011) saw finding ways to allow persons with disabilities to contribute to the family welfare by their activities is a step towards alleviation of poverty. Apart from the functional rehabilitations, socio-economic programmes were added that included

educational, vocational and micro credit services for disabled persons. Disabled persons due to congenital or infectious diseases are stigmatised and discriminated. For such cases, awareness programmes within the neighbourhood should be organised in order to motivate people to buy things from them.

Persons with more severe disabilities like paraplegia or bilateral amputation had less access to micro credit in the programmes due to the staff perception that including such groups could increase the risks of failure, contrary to micro credit programme that wants the most destitute disabled to get a chance to start a business, even those at high risk of insolvency. Giving a chance to a destitute disabled is more important than the losses we could face. At the same time businesses that are clearly deemed to fail should not be started" (Fiasse, 2011). Considering the risks of exclusion of persons with severe disabilities, physiotherapists are consulted in order to choose an appropriate income generating activity for them after then such persons would start receiving micro credit. Exclusion by design often excludes the poorest. This risk has been totally avoided by the use of vocational training that prepare the poorest to carry out an income generating project and all persons with physical disabilities could have access to micro credit.

2.9.4 Light Administrative Structure, Participatory, Loan without Usage Dictation and Establishing Consultative Group Innovations

United Nations Publication (1997) explains that micro credit scheme's administrative structure should be light and the process participatory in nature. The so-called new minimalist approach argue that credit programmes would still help the poor to fight poverty by giving credit to any poor person who is able to repay the loan without

dictating to that person how and on what the loan should be used. To operate a successful micro credit programme even in extremely challenging circumstances there should be disciplined of both the clients and the provider institutions. An integrated rural development with technology based programmes can easily be put on fast track by the use of micro credit.

The UN perceives coordination among the donor countries as weak that allows duplicative projects and fragmentation of institutional capability in the developing countries. Donor countries should have a special responsibility to ensure that financial intermediation programmes are soundly based and involve the public sector monitoring as an important part of the process. With this perspective the World Bank led the process of international coordination by establishing the Consultative Group to Assist the Poorest (CGAP) which brings together the 25 members of the United Nations bodies of western multi-donor countries and international agencies. The objective of CGAP is to foster good donor practices including performance standards to spread a more realistic micro credit approaches to different parts of the world to eradicate poverty.

2.9.5 Micro Credit Innovations for the Ultra-Poor

The World Bank and Bangladesh Bureau of Statistics say that people who consume less than 2122 kilo calories daily are poor while the poor who consume less than 1805 kilo calories are the ultra-poor. The people who depend on work at other people's houses or beg are also ultra-poor. The other features of the ultra-poor are that the households have no income earning male member, children who are supposed to go to school go to work for earning, they have land less than 10 decimals and have no

capital that can be the base for production. It was recommended for the ultra-poor who are not eligible to receive micro credit because they have no capacity to repay, that "there should be grant for them which they do not need to pay back, but use it in income generating projects to come to the level of the poor segment of the society", that with a minimum amount of grant they can take up any project that will take two to three years for turnover and only then can the ultra-poor come to the level eligible for micro credit to change their status.

2.9.6 Micro Credit Out-Reach and Sustainability Innovations

Micro credit industries use the concept '*out-reach*' to portray the extent of poverty targeting and other social objectives achievements. For a programme to reach large number of poor people, reduce poverty and be sustainable it has to follow procedures that suit the poorest which include- no collateral or external guarantee be required from the poorest to participate in micro borrowing; The programmes should bring the financial services to the doorsteps of the poor; It should start with small initial loans before gradually bigger as the poor client gains the management skill and capacity. The borrower chooses the economic activity to undertake build on skills already known. There should be no compulsory savings amount which serves as security which can be withdrawn only during emergency while additional voluntary savings amount can be withdrawn at any time of client's need. There should be a group responsibility for the loan security but with no group or collective assets ownership. Committed leadership of a full time chief executive officer and some full time trained staff are necessary. Project monitoring and timely reporting by the field staff and the branch manager are required for effective management. Transparency of transactions

with open reasons for accepting or rejecting applications is a vital issue in the programme.

The programme's sustainability relies on clear business plan, expert staff, efficiency, increasing loans, running profitability, keeping at nearly 100% repayments rate, diversifying loan portfolio and transformation into formal financial institution. The necessary conditions for sustainability include appropriate socio-economic characteristics, legal backing in form of Micro credit Regulatory Commission and policy framework with funding mechanisms from the Central Bank. There should be 'Wholesale Funds that enable micro credit programmes become financially self-sufficient so as to attract funds from commercial sources.

It is widely observed that a 'trade-off' exists between '*outreach'* and '*sustainability'* when considering transaction costs, risks and expected returns on providing micro credit services to the very poor. Where the programme outreaches the very poor effectively the programme becomes less sustainable and where the programme becomes efficiently sustainable it less outreaches the very poor. It was found that a higher transaction costs are incurred whenever micro credit programme effectively reaches out to the very poor. Paxton (2002) saw the deeper the outreach to poorest clients the more reliant the micro credit institution be on subsidies. According to Pischke (1996) all types of lending face a trade-off between outreach and sustainability within a medium term such as three to five years. It was found that sustainability can be improved by either choosing to serve a large cross section of the population or alternatively serve a population with higher level of incomes, and improve the outreach of micro credit by raising the demand for micro-loans from the

side of the poor by removing the constraints and by tailoring the micro-loan products to the need of the poor. More importantly, direct fiscal support was found to be more important for the very poor in the poor areas. A well-performed micro credit programmes were those which achieved their poverty reduction objectives at least costs.

2.9.7 Non-Financial Services Innovation by LAPO

Lift Above Poverty Organisation (LAPO) offers a broad based NGOs offering a selected number of non-financial services such as health, consulting and awareness programmes to support its credit operations.

From these reviews micro credit is conceptualised and promoted as a positive rural development intervention. It is portrayed as an intervention that has the capacity of bringing desirable changes in the rural economy. The changes are largely social and economical which benefit the less privileged groups of the society. Micro credit plays an important role in integrating the programmes of rural development and poverty alleviation. Micro credit enables the poor to utilise their physical, social and human capitals to improve and sustain their living standard. It facilitates rural development through access to investments capital, employment generation, increased income, increased household expenditure, improved coping capacity, increased savings, increased re-investments, empowers for greater socio-political participation and reduced vulnerability to socio-economic crises. The issue now is to have a look of the case of rural development in Nigeria.

2.10 RURAL POVERTY IN NIGERIA

Khalid (2011) generally identified the main causes of poverty in Nigeria as poor governance, corruption, civil strife, political rivalry, ignorance, unemployment, inflation, environmental degradation, high population growth and illiteracy among others. Moreover, He specifically attributed the major cause of current poverty in rural areas of Nigeria to be due to the use of outmoded and inefficient systems in agriculture and craft. Other causes include inadequate infrastructure, lack of credit and marketing facilities, unfavourable rural land tenure and cultural rigidities. There is also lack of viable non-farm employment opportunities in the rural sector thereby leading to over-crowding on the land and under-employment of labour which consequently led to rural-urban migration. Investigations have shown that even though alternative occupations like traditional crafts and petty trading do exist in most villages in Nigeria, incomes realized from them are generally lower than those realized from farming. The Nigerian rural poor are the less privileged *groups often requiring different packages of support ranging from micro-credit, through enterprise development and agricultural extension to rural democracy to improve their quality of lives.* The less privileged groups in the Nigerian society such as women, elderly and minority groups are the focus of support (Khan, 2001).

2.11 POVERTY ERADICATION AND RURAL DEVELOPMENT EFFORTS IN NIGERIA

The concern over increasing menace of rural poverty in Nigeria has led the government to adopt micro credit policies and strategies that drove several poverty alleviation and rural development programmes into actions. The experiences of poverty eradication programmes in Nigeria were mostly not successful.

2.11.1 Poverty Eradication Programmes in Nigeria

Successive regimes in Nigeria have tried different policies and programmes geared towards reducing poverty in the country. Firstly, through the activities of its ministries; second, by collaborating with international agencies and third, through the establishment of agencies equipped solely to fight poverty and unemployment (Khalid, 2011). See Appendix 1 for most of the programmes and the leaders that launched them in their regimes. Some of the programmes were designed to deal with poverty directly while others indirectly. It was with the effort to rectify the shortfalls in the previous programmes that led to the reformation of the Nigerian microfinance policy framework.

2.11.2 Nigerian Microfinance Policy Framework

There was the recognition of the existence of a huge untapped potential for financial services at the micro level of the Nigerian economy and the attempts by Government in the past to fill that gap were not sustainable. To that effect the Central Bank of Nigeria (CBN) in 2005 formulated a microfinance policy framework. The Nigerian microfinance policy concept comprises facilities of loans, deposits, insurance, fund transfers and other non-financial products targeting at the low-income clients. Three distinguishing features of the micro finance from the conventional banks are smallness of loans and savings, absence or reduced emphasis on collateral and simplicity in operations. The targets of the microfinance policy were to increase access of the economically active poor to financial services, to increase the share of micro credit percentage of total credit of the economy and the share of micro credit as percentage of (Gross Domestic Product) GDP, to ensure the participation of the federal, the states and the local governments in microfinance activities.

The CBN categorizes microfinance banks into*: i.* Unit Microfinance Bank, authorized to operate in one location, have a minimum paid up capital of N20 million, prohibited from having branches and cash centres, *ii*. State Microfinance Bank, authorized to operate in one State, required to have a minimum paid up capital of N100 million, is allowed to open branches within the same State on approval by the CBN for each new branch, *iii*. National Microfinance Bank, authorized to operate in more than one State including the Federal Capital Territory (FCT), to have a minimum paid up capital of N2 billion, allowed to open branches in all states of the federation and the FCT on approval of each by the CBN.

Ownership of microfinance banks can be by individuals, groups of individuals, communities, development associations, private corporate bodies, NGO-MFIs and foreign investors. The stakeholders of microfinance are the governments, CBN, Apex associations of microfinance banks and institutions, Public sector poverty alleviation agencies, donor agencies and development partners.

2.11.3 The Nigerian Government's Effort on Micro Credit

Nigeria has about 50% of its population in the rural areas and many of this populace is less privileged, marginalized and less privileged hence needed social justice (World Bank Data Profile, 2011). These poor segments need micro credit and safety nets to protect and enable them to have access to land, farm inputs, relevant skills, improved technology and rural infrastructure.

Nigerian government has launched several micro credit programmes since in the 1960s with the aim of integrating the rural poor into the mainstream process of national development. Programmes specifically launched for providing credit to

alleviate rural poverty were- Agricultural Development Project (ADP), Agricultural Credit Guarantee Scheme (ACGS), National Directorate of Employment (NDE), Community Bank, People's Bank of Nigeria (PBN), Better Life Programme for Rural Women (BLP) later Family support Programme (FSP), Nigerian Agricultural and Cooperative Bank (NACB), Family Economic Advancement Programme (FEAP), Rural Development Administration/Farmers Home Administration (RDA/FHA), Rural Economic Community Development Service (RECDS), Consolidated Farm Services Agency (CFSA), Integrated Women and Youth Empowerment programme (IWYEP), Bank of Agriculture (BOA), Agency for Community-Based Poverty Reduction Project (ACBPRP), National Special Programme on Food Security (NSPFS) and the National Poverty Eradication Programme (NAPEP) with its sub-schemes such as Youth Empowerment Scheme (YES), Rural Infrastructural Development Scheme (RIDS), Social Welfare Services Scheme (SOWESS) and National Resources Development and Conservation Scheme (NRDCS).

Among these micro credit programmes, those specifically contained 'safety net' packages were the PBN of 1987, BLP of 1987, FSP of 1995, FEAP of 1997, ACBPRP of 2000, the reformed BOA of 2000, and NAPEP and NEEDS in 2004. NAPEP and NEEDS were specially designed to prevent people from becoming poor or poorer in both the rural and urban areas (Obasanjo, 2004). The 'safety net's target were women, widows, victims of ethnic violence, crime victims, unemployed, losers of income and the people living with HIV/AIDS (NEEDS, 2004). These schemes were launched with the aim of wiping out poverty from Nigeria by the year 2010, specifically NAPEP, as Obasanjo said "The intent was to make poverty a thing of the past in Nigeria".

2.11.4 Nigerian Micro Credit Strategies

Nigeria has adopted the micro credit policy for financing agriculture, infrastructure and social development. Nigerian micro-credit's methodological strategies would look different from other finance institutions. Prior to taking of the loans there shall be a compulsory scheme to educate the clients on entrepreneurial skills and basic business development. It also gives the clients knowledge of "human rights" which are vital especially for women folks. Compulsory saving is a pre-condition to qualify a borrower. These strategic procedures are to ensure maximum success of micro-credit applications.

Nigerian micro-credit strategies are to serve the existing local professional groups in the informal economic sector as well as the working poor in the cities. These strategies can come in a variety of packages served widely across section of client's products. Groups focused with the micro credit include artisans, weavers, fishermen/fishmongers, farmers, salt miners, traders, tailors, saloons, bakers, carpenters, masons, apprentice and the working poor in the formal sector. The micro-credit project has a holistic and integrated approach to solving poor people's problems. For instance, micro credit enables the poor parents to send their children to school, enables the people to lead a normal life and uphold the people's self-esteem.

The Nigerian micro credit fills the gap left by the mainstream commercial lenders who simply would not consider lending to certain potential borrowers for a variety of reasons such as too smallness of the loan amounts that most commercial lenders would not be interested in giving; Most commercial lenders are reluctant to deal with the first time borrowers who have no credit history and deem to be poor credit risks;

Also that micro credit loans are largely unsecured, unlike most commercial lenders require some form of assets based securities, micro credit may require only a promise to repay.

2.12 CONCLUSION

From the literature it appears that in the last two decades micro credit has been placed on the top of the agenda of rural development and poverty alleviation in most nations of the world. Micro credit has been upheld as the greatest tool for economic and social empowerment in developing countries. Micro credit has been propagated to bridge the gap between the rich and the poor either at individual level, rural-urban, nationally or regionally. Different nations have tried different micro credit models but the Grameen model formed the backbone of all the popular approach and emulated around the world either directly or indirectly. The review of the different nations' experiences has proven that no true rural development can take place without micro credit because of its empowerment potentials.

However, micro credit experiences have displayed some-what positive influence on the upper and the middle less privileged groups. The poorest of the poor or the ultra-poor and the most illiterate have mostly been excluded from the benefits. It is to correct the general exclusion of the less privileged that the Nigerian government reformed some of its previous programmes to establish the BOA in order to effectively reach the least privileged groups.

It was found in Nigeria that employment generation potentials of small and medium businesses have been seriously constrained by lack of access to finance, either to start, expand or re-organise the existing economic activities. BOA management disclosed "Our experience has shown that many agricultural credit delivery programmes usually fail to reach those vulnerable groups often described as the intended beneficiaries despite the noble intentions of the promoters of such schemes" (Edike, 2002). Delivering employment generation and poverty alleviation as stipulated in the National Economic Empowerment and Development Strategy (NEEDS) require additional channels for financial services which the reformed BOA through its Micro Credit Scheme and Special Project Loans stands to provide. Several innovations made in the process of micro credit applications were sieved and relevant ones were considered in refining the micro credit scheme of the BOA.

The BOA micro credit is also propagated to empower the beneficiaries to participate in the nation's politics so as to access them to benefit from the dividends of democracy. BOA was well focused and has been offering the micro credit for the period over a decade which is good enough the achievement of the priority objective of 'purveying the micro credit to the less privileged segments of the population' and other associated objectives such as establishing banking culture and capacity building among the less privileged groups. This assessment should enable to contrast the predecessor micro credit programmes launched in the country to BOA and to see if the desired impact made can justify the institution's reformation.

CHAPTER THREE

THE STUDY AREA AND METHODOLOGY

3.1 THE STUDY AREA

3.1.1 Location

Borno State is situated in the extreme North eastern part of Nigeria. It lies between Longitudes 11^{o}:37^{1}E to 14^{o}:38^{1}E and Latitudes 10^{o}:00^{1}N to 13^{o}:43^{1}N, on an elevation of between 270m to 492m above sea level (Google Earth, 2013). See Figure 3.1. The State has 27 Local Government Areas and the capital is Maiduguri. It covers an area of about 70,898 sq. km and holds a projected population of 5,521,672 by 2014 (UNFPA, 2014). It shares international boundaries with Niger in the north while Chad and Cameroon Republics in the north-east. It is bordered in the south by Adamawa state, while in the west are Gombe and Yobe States. A large portion of the Lake Chad water lies in Borno state.

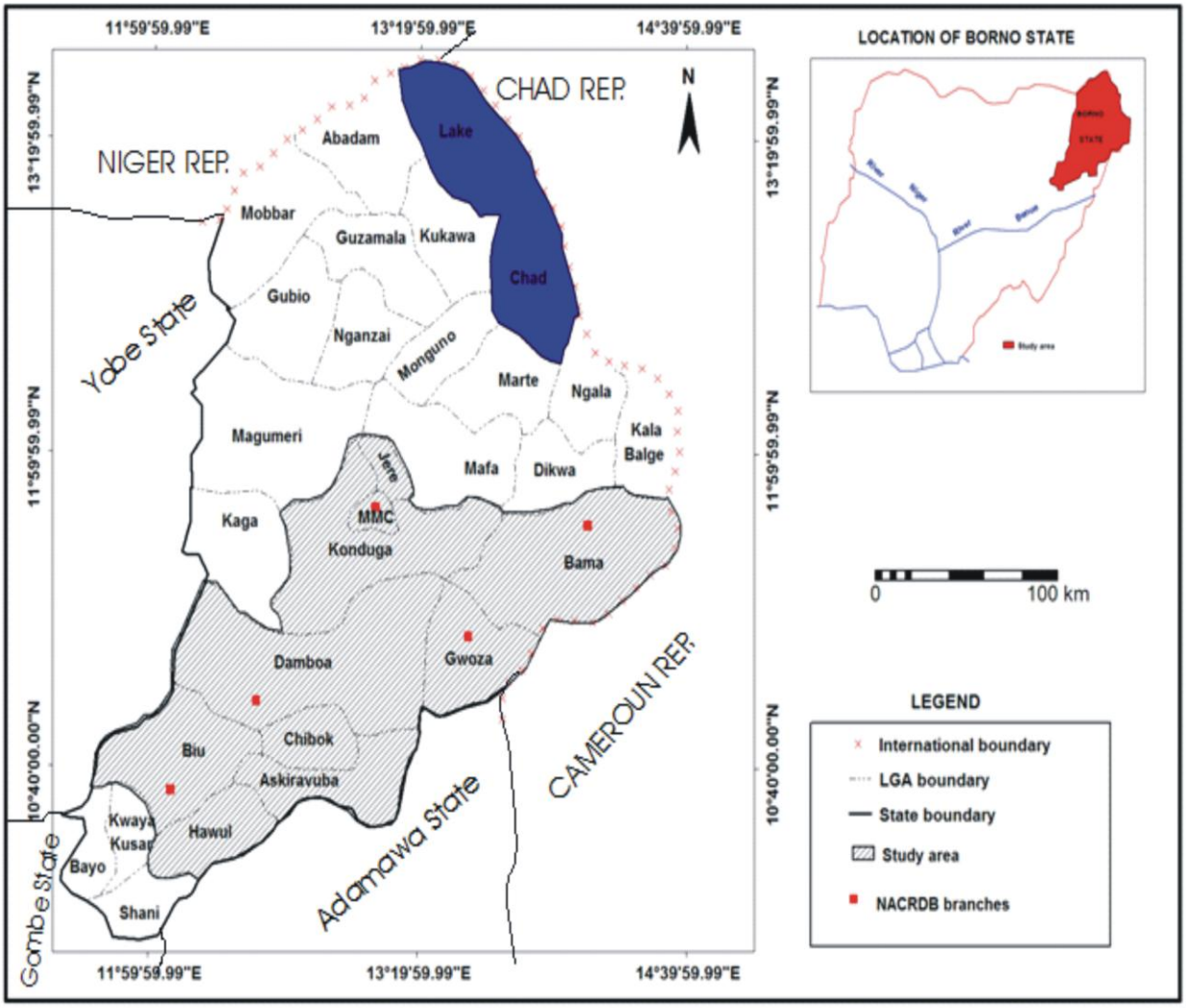


Figure 3.1 Locations of 'BOA' Branches and Sampled LGAs in Borno State

Source. Extracted from African Atlas, Nigeria (2002) modified by fieldwork 2013

3.1.2 Geology

According to Ogezi (2002) Biu area is underlain by '*Tertiary and Recent Volcanic'* rocks. Askira/Uba and Gwoza areas are mostly underlain by *undifferentiated basement complex'* rocks. Hawul, Chibok and Damboa are underlain by *Paleocene-Eocene'* and *'Albian-Cenomania'* rocks. Maiduguri, Jere, Konduga and Bama Local Government Areas are underlain by *'Oligocene-Pleistocene'* rocks.

3.1.3 Relief and Drainage

Relief wise, the whole of Askira/Uba, Biu, Hawul, parts of Gwoza and Chibok Local Government Areas lie above 1000m above sea level, while other parts of Gwoza, Bama, Konduga, Jere and Maiduguri lie between 200m to 1000m above sea level (Ologe, 2002). Except River Hawul which drains its water into River Niger through River Gongola all other drainage channels drain their water into the Lake Chad.

3.1.4 Climate

The climate is basically governed by the movement of inter-tropical convergence zone. It has been established that about 80% of the annual rainfall is recorded between April and October and usually falls in an irregular pattern. During the remaining months of dry seasons mostly between November and March the north-east trade wind brings cold, dry dust called '*Harmattan*' associated with very harsh weather. Gwoza, Askira/Uba, Chibok, Hawul, Biu and Dambua fall within the hydro-ecological Zone called '*Sudan-Sahel'* while Bama, Konduga, Maiduguri and Jere fall within '*sahel'* hydro-ecological Zone (Adefolalu, 2002). The area has a mean annual rainfall range of between 600mm and 900mm. The temperature of the area is described as *'moderately hot'* with mean annual temperature range between 24^{o}C and

27^{o}C except Maiduguri, Jere, Konduga and Bama as '*hottest* areas' having an average annual temperature of over 27^{o}C (Iloeje, 1982).

3.1.5 Vegetation

The vegetation of the whole study area is *'Sudan Savannah'* which is characterised with sparsely-wooded grassland. Ecologically, it has been noticed from the climate change that the Sahara desert which borders the sahelian drought prone belt has been advancing southward at the rate of 2.5 km per year. This advancement leads to environmental degradation to the extent that the productive arable lands have shrunk by at least 2^{o}:5^{1} Latitudes by 2000. Agricultural production increases in some areas and decreases in others (Adefolalu, 2002)

3.1.6 The People and Population

The Borno Local Governments' Publication (2002) explains the peoples' profile as follows: that Borno State is pluralistic in ethnic composition with rich but divers cultural heritage consisting of over thirty autonomous languages. The Kanuri tribe which is the dominant ethnic group occupies the northern and central parts of the state. Maiduguri, Jere, Konduga and Bama Local Government Areas are Kanuri occupied that fall within the study area. The Babur/Bura is another dominant ethnic group found in Biu and Hawul LGAs in southern part of the state. They have written historical records and have a very rich oral tradition. The Babur/Bura's centuries of interaction with the Kanuris have left them with many marks in common. The Biu tradition claim descendant from Sefawa, thus tradition of Babur/Bura today appears similar to that of the Kanuris but with differences in regalia and ceremonies that suggest independence in origin.

Gwoza L.G.A is the most cosmopolitan of the southern part of Borno State with a great number of ethnic groups having cultural links with the people living in Cameroon. The people were in former German Cameroon but after the First World War they came under the Trusteeship of the League of the Nations and later the United Nations Organisation with the United Kingdom administering them as a part of northern Nigeria. After Nigerian independence in 1960, a plebiscite was held in 1961 when Gwoza people opted to join Nigeria.

In Askira/Uba LGA, covering Askira and Uba Emirates, Marghi and Chibok with a few Bura are dominant tribes. The Marghi language is further sub-divided into many dialectical intonations grouped mainly under the North and South Marghi. Margi consists roughly of three states: The indigenous people, the immigrants Pabir and Kanuri people. Part of the Askira/Uba LGA extending to Damboa LGA is occupied by the Kanurified Marghis. The population of the study areas by local government is shown by Table 3.1

Table 3.1 Study Local Government Areas with the Population

S/No	Local Government Area	Population
1.	Askira/Uba	138,091
2.	Bama	269,986
3.	Biu	176,072
4.	Chibok	66,105
5.	Damboa	231,573
6.	Gwoza	276,312
7.	Hawul	12,031
8.	Jere	211,204
9.	Konduga	156,564
10.	Maiduguri	521,492
Total	10	2,059,430

Source: National Population Commission, 2006

3.1.7 Economic Activities

Like most Nigerian rural economy, the sampled local government areas are agriculture-based. Sorghum, millet, rice, groundnut, cowpea, maize, cotton, and cassava are the major crops produced in large quantities. Crops like onion, tomato, carrot, spices and a variety of vegetables are irrigated during dry seasons. Other important crops are Gum-Arabic, Mango, Cashew, Banana and Orange.

The sampled local government areas have equally benefited from most of the national government's Rural Development and Poverty Alleviation Programmes such as RBRDAs, DFRRI, NALDA, NDE, BLP, FSP, NAPEP, IFAD, FEAP, PBN, RBDAs, NAIC, OFN and MAMSER. The Sahelian Projects such as Chad Basin Development Authority (CBDA) have touched the areas and provided ample opportunities for domestic and industrial raw material production.

According to Investment Focus (2002) Borno State has an estimated livestock population of over six million made up of cattle, sheep, goats, camels and poultry; and that Borno State is an international market for livestock. Ariyo (2002) puts Borno state among the Sudan sahelian states that produce nearly 70% of the Nigerian cattle. Ariyo (op cit) says that the livestock forms the primary source of animal protein for the whole nation and also primary source of milk and milk products for the urban population of the northern pastoral zones. Ariyo further observed that a lot of the grazing land is continually being taken up annually for arable farming to feed the rapidly growing population, leading to frequent bloody clashes between the nomads and the sedentary farmers. The misunderstanding calls for hard political and economic decisions by the government as well as the nomads to alleviate the

problem. Ariyo portrayed Borno and Yobe States as the largest inland fish producers in the Country by 1996. In terms of other economic activities, Borno state is famous in food, drinks, tobacco, and leather processing. Filani (2002) saw the state has one of the largest National Parks, number of forest reserves and hills. Other important scenic resources in the area include the Sambisa Game Reserve, Alaw Dam in Konduga, Jafi water fall and Lake Tilla in Biu and Kwasikkir (human stone) of Uba.

3.1.8 Investment Potentials

Although various mineral occurrences have been reported in the sampled local government areas, full explorations are yet to be carried out (Borno Local Governments Publication, 2002). From feasibilities previously conducted so far, available mineral deposits identified were numerous. If the minerals resource together with the agricultural resources would be fully exploited for the large domestic and export market, the living standard of the rural populace would be substantially improved.

3.1.9 Bank of Agricultural (BOA) in Borno State

The BOA was initially incorporated in 1973 as Nigerian Agricultural Bank (NAB). It was reformed to Nigerian Agricultural and Cooperative Bank (NACB) in 1978. In the year 2000 the NACB, the People's Bank of Nigeria (PBN) and the Family Economic Advancement Program (FEAP) were merged to form the Nigerian Agricultural and Rural Development Bank (NACRDB) which later renamed BOA (Vanguard, 2011). Currently BOA stands the largest poverty alleviation and rural development finance institution of the country with CBN shares of 40% and Federal Ministry of Finance 60%, supervised by the Federal Ministry of Agriculture (Vangurd, *op cit*). BOA was

equipped with special packages of micro credit for loaning to the less privileged Nigerians in-cash and in-kind or both on very little or no interest charges. The bank was reformed to ensure that the real less privileged groups benefit from the services of the micro credit scheme. BOA has five of its branches located in Borno state and the branches have been loaning the micro credit to the target groups. The success of BOA in achieving its set objectives of the micro credit outreach is to be assessed. The method below is employed for the investigation

3.2 METHODOLOGY

The procedure adopted for the study started first with taking Reconnaissance Surveys to ascertain the bank branches location and feasibility of the study. This was followed by stating types of data required and sources of the data. Sampling size and sampling technique were specified. Because of the intricacy of the measurement of micro credit input variables in relation to measurement in changes in living standard, independent and dependent variables were determined for the analyses. Finally the statistical methods of data analyses were specified with its levels of significance.

3.2.1 Reconnaissance Survey

In the course of reconnaissance surveys, the five BOA branches located in Bama, Biu, Damboa, Gwaza and Maiduguri towns in Borno State were visited. During the survey the Local Government Areas served were all visited to assess the feasibility of the study. Locations of the beneficiary cooperative societies and some individual beneficiaries were identified for onward investigation.

Table 3.2 'BOA' Branch Locations and the LGAs Served in Borno State

S/No.	BOA Branch Locations	LGAs served
1	--	Askira/Uba
2	Bama	Bama
3	--	Bayo
4	Biu	Biu
5	--	Chibok
6	Domboa	Damboa
7	--	Dikwa
8	Gwoza	Gwoza
9	--	Hawul
10	--	Jere
11	--	Kala-balge
12	--	Konduga
13	--	Kwaya Kusar
14	--	Mafa
15	Maiduguri	Maiduguri
16	--	Shani
TOTAL		10

Source: Reconnaissance survey and management documents 2012

At the time of the survey the five branches were confirmed to have served only sixteen local government areas. The local government areas served were Askira/Uba, Bama, Bayo, Bui, Chibok, Damboa, Dikwa, Gwoza, Hawul, Jere, Kala-balge, Konduga, Kwaya-Kusar, Mafa, Maiduguri and Shani (Table 3.2).

3.2.2 Types of Data

The types of data used in the study are specified below.

i. Data regarding BOA branches locations, spatial coverage of services, locations of beneficiary cooperative societies and the characteristics that qualify the actual beneficiaries as belong to the less privileged groups.

ii. Data on borrowing and investment patterns of the BOA micro credit among the less privileged groups accessed.

iv. Data on the micro credit investment inputs and data on changes in the beneficiaries' production, income and living standard variables.

v. Data on the differences in the socio-economic conditions of the beneficiaries before and during the use of the micro loans

vi. Data on the BOA empowerment strategies' impact on the human capacity building of the beneficiaries

3.2.3 Sources of Data

Oral interview was conducted on the bank management staff and questionnaire administered on the sampled beneficiaries to access the primary data. Each of the bank branches was visited several for interview the management, deposit and administer questionnaire and to retrieve the completed copies through the research assistant (a bank officials). The secondary sources of data comprised of the BOA management documents which provided the items of credit facilities given to the beneficiaries. Moreover, population data was collected from the National Population Commission (NPC) documents, NPC office, Government House Road, Maiduguri.

3.2.4 Sample Size and Sampling Techniques

Sampling Size: Out of the sixteen Local Government Areas served by the five BOA branches, ten were, through interviews, found to be appropriately served with micro

credit and thus sampled for the study. The sampled Local Government Areas include Askira/Uba, Bama, Biu, Chibok, Damboa, Gwoza, Hawul, Jere, Konduga and Maiduguri (Table 3.3). The bank management provided the list of the 94 registered micro credit cooperative societies with a total of 1099 borrowers in the ten study LGAs. There were constraints posed by the remoteness and scattered nature of the settlements in which borrowers reside together with the growing security threats from Boko Haram in the study area. It was the combined efforts of the BOA branches management and of the researcher that made it possible to access the respondents. 166 (15%) of the 1099 borrowers in the study area were sampled for the study. Out of the 166 questionnaires administered one missed and one poorly completed hence only 164 copies were valid.

Sampling Technique: A purposive sampling technique was employed. The bank branches management assisted in purposively selecting respondents from each of the BOA branches, cooperative societies, loan amount categories, project types and local Government Areas to obtain the sample from all the sectors identified. Stratified sampling was done from smallest to the largest loan amount categories. Two samples were taken from each of the 72 larger cooperative societies making 144 and one sample taken from each of the 22 smaller cooperative societies. A staff in each of the bank branches was solicited and coached to serve as a research assistant to access the sampled beneficiaries either on arrangement in the bank or go to their residences to complete the questionnaires. Table 3.3 shows distribution of the questionnaire by Local Government Area.

Table 3.3 Distribution of Micro Credit Beneficiaries' Questionnaires

Local government area	Copies of questionnaire given	Not returned	Completed & returned	Completed but invalid	Completed valid	%
Askira/Uba	21	0	21	0	21	12.8
Bama	29	1	28	1	27	16.5
Biu	23	0	23	0	23	14.0
Chibok	9	0	9	0	10	6.1
Damboa	16	0	16	0	16	9.8
Gwoza	14	0	14	0	14	8.5
Hawul	19	0	19	0	19	11.6
Jere	13	0	13	0	11	6.7
Konduga	13	0	13	0	14	8.5
Maiduguri	9	0	9	0	9	5.5
TOTAL	166	1	165	1	164	100

Source: Field work, 2013

3.2.5 Determining Independent and Dependent Variables for Analyses

According to the Microsoft© Encarta© (2009) English Dictionary, independent variable refers to (i) "**variable determining value of others:** the variable in a mathematical statement whose value, when specified, determines the value of another variable or other variables." (ii) "**variable manipulated in an experiment:** a variable that is manipulated in an experiment in order to observe the effect on another variable." Going by these concepts, although the nineteen input variables of micro credit are partially influenced by access to micro credit they can rightly be applied as independent variables while the nineteen output variables which are directly dependent on the influence of the input variables have rightly appeared to be the

dependent variables. The study applies the "proxy" measure, that is making the best use of available data and not the direct quantitative measures of the variables.

A wide range of indices are involved in measurement of living standards.

Wikipedea the free encyclopedia (2014) explains 'standard of living' as referring to the level of wealth, comfort, material goods and necessities available to a certain socio-economic class in a certain geographic area. That standard of living and quality of live are related, but Amy (2011) contrasted the two and pointed out the main difference that standard of living is more objective but quality of life is more subjective. Both indicators are flawed, but they can help to get a general picture of what life is like in a particular location at a particular time said Amy. Both the Wikipedia and the Amy presented some wide range of variables and from which those relevant for this study were selected. Many among the indices were not relevant to the population under this study. Amy noted how best to measure living standards/quality of life, one approach is to use "direct" measures, such as income, expenditure or consumption and another is to use a "proxy" measure, making the best use of available data (Amy, *op cit*). Example of a series of household assets used in many national surveys to measure the living standard includes: Electricity, Fridge/freezer, Electric stove, TV set, Home telephone, radio sets, Sewing machine, cell phone, Personal Computer, Motor vehicle and so forth. The measurement indices selected for this study are those relevant to the population characteristics.

3.2.6 Methods of Data Analyses

3.2.6.1 Descriptive Statistics

Descriptive statistics were used to summarise the data collected on the respondents' socio economic profiles; characteristics that conforms the borrowers to belong to the less privileged groups, borrowing and investment pattern, influence of each investments inputs on each living standard indices, differences in standard of living of the borrowers before and during the application of the micro credit, and BOA empowerment effects on human capacity building.

3.2.6.2 Tables and Graphs

Microsoft Excel was used to perform calculations, tabulations and illustrations in form of charts and graphs

3.2.6.3 Test of Hypotheses

Analysis of Means, using the Chi Square (X^2) was used for testing hypotheses one at level of statistical significance p- 0.05. Factor Analysis Principal Component Extraction with Varimax Rotation was applied to test hypothesis two. The factor analysis was preferred for the following- it reduces the complexities of data by dropping components that have very low influence with only very little loss of information. It shows the loadings of the living standard variables on the extracted input factors thereby determining how many inputs to retain by the beneficiary investors, which is the target area of the research, getting the BOA inputs that contribute significantly to the living standard of the beneficiaries. The level of statistical significance of the tests was p- 0.5. KMO and Bartlett's Test was used to measure sampling adequacy and test of sphericity for structural detection. Analysis of Means, using the Chi Square (X^2) was also applied for testing hypotheses three at the

statistical significance level of p- 0.05. The decision rule for the tests are that if the computed p- values are less than the stated level of significance the null hypothesis would be rejected ~~a~~nd the alternative hypothesis accepted.

CHAPTER FOUR

FINDINGS RESULTS AND DISCUSSIONS

4.1 INTRODUCTION

It was in order to properly reach the less privileged groups with micro credit that the Government reformed the micro credit scheme of the BOA. The effort was to build the human capacity of the less privileged to empower them to pull themselves out of poverty and be productive in the society. BOA has been giving the micro credits through its reformed strategies since 2000. This study therefore attempted to assess the effects which the micro credit scheme of the bank may have had on the beneficiaries. The approach to the assessment of the effects of the micro credit scheme of the BOA on the less privileged groups was articulated in the methodology. The reports of the findings are presented in the order of the five research objectives as follows: the spatial coverage of micro credit services; the conformity of the socio-economic characteristics of the beneficiaries to the less privileged groups specified as the target of the bank; the borrowing and investments pattern of the micro loans; the influence of the micro credit investments inputs on the living standards variables; the differences that occurred in the socio-economic lives of the beneficiaries before and during micro credit use, and the effects of the bank's micro credit scheme empowerment on human capacity building.

4.2 THE SPATIAL COVERAGE OF SERVICES IN BORNO STATE

There were five BOA branches in Borno State during the period of the study. The locations were in Bama, Biu, Damboa, Gwoza and Maiduguri towns. It has been confirmed from the management's records that only 16 Local Government Areas in

the state were reached with the micro credit services. In addition to the 5 hosts Local Government Areas, the other 11 local government areas served include Askira/Uba, Bayo, Chibok, Dikwa, Hawul, Jere, Konduga, Kala-balge, Kwaya/Kusar, Mafa and Shani. There were 11 Local Government Areas in the state which have not been reached with the BOA micro credit. Out of the non-reached LGAs 9 were in Northern Borno senatorial zone and 2 in Central Borno senatorial zone. Figure 4.1 shows the locations of BOA branches, Local Government Areas served and sampled for the study. The LGAs served by BOA constitute 59.3% of the 27 LGAs in the State. The 10 LGAs sampled from among those served by the bank constitute 37% of the 27 LGAs in the State, while the 10 LGAs sampled constitute 62.5%, of the 16 LGAs served by the bank branches.

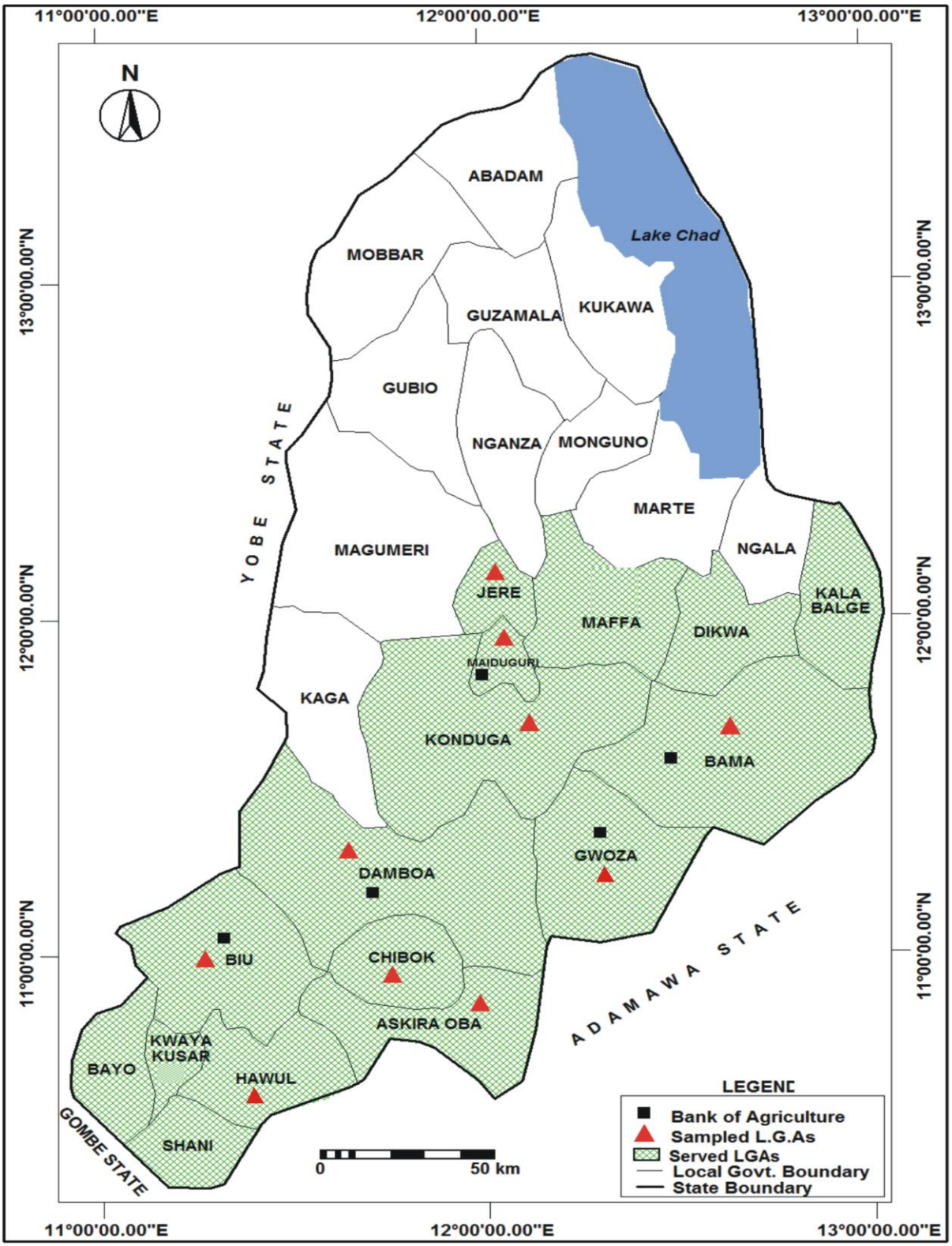


Fig.4.1: Location of Bank of Agriculture Branches, LGAs Served and Sampled Areas

Source: Adapted and Modified from Administrative Map of Borno State

Table 4.1 shows the distribution of the cooperative societies with the population of the micro loan beneficiaries.

Table 4.1 'BOA' Locations, L.G.As Served, Cooperative Societies & Borrowers

S/No.	BOA branch locations	LGAs served and sampled	No. of coop society	No. of individual micro loan borrowers	%
1.		Askira/Uba	12	142	12.9
2.	Bama	Bama	13	191	17.4
3.		Bayo *	--	--	--
4.	Biu	Biu	10	150	13.7
5.		Chibock	6	58	5.3
6.	Domboa	Damboa	11	110	10
7.		Dikwa *	--	--	--
8.	Gwoza	Gwoza	9	94	8.5
9.		Hawul	8	124	11.3
10.		Jere	7	84	7.6
11.		Kala Balge*	--	--	--
12.		Konduga	10	86	7.8
13.		Kwaya/Kusar*	--	--	--
14.		Mafa *	--	--	--
15.	Maiduguri	Maiduguri	8	60	5.5
16.		Shani *	--	--	--
TOTAL		10	94	1099	100

**Local Govt. Areas Served but not sampled*
Source: Reconnaissance survey March 2012

4.3 SOCIO-ECONOMIC CHARACTERISTICS OF THE RESPONDENTS

The socio-economic profiles of respondents who accessed BOA micro credit were examined. The attributes considered comprised of age, gender, marital status, literacy level, occupational category and of farm size. These general socio-economic

background attributes of the sampled respondents were explored and presented in Table 4.2.

Table 4.2 Distribution of Respondents According to Their Socio-Economic Characteristics

Characteristics	Category	No. of respondents	%
Age (years)	Below 20	0	0
	20 to 30	11	6.7
	31 to 40	60	36.6
	41 to 50	70	42.7
	51 to 60	13	7.9
	61 and above	10	6.1
	Total	**164**	**100**
Gender	Male	109	66.5
	Female	55	33.5
	Total	**164**	**100**
Marital status	Married	143	87.2
	Widow	10	6.1
	Divorced/separated	6	3.7
	Single	5	3.0
	Total	**164**	**100**
Literacy level	No formal education	20	12.2
	Qur'an education	30	18.3
	Adult education	30	18.3
	Primary education	25	15.2
	Secondary education	49	29.9
	Tertiary education	10	6.1
	Total	**164**	**100**
Main occupation	Farming	92	56.1
	Junior Staff worker	42	25.6
	Artisan	16	9.8
	Trading	6	3.7
	Casual workers	5	3.0
	Retired workers	3	1.8
	Total	**164**	**100**
Farm sizes (hectares)	No land	20	12.2
	1 to 4	74	45.1
	5 to 8	38	23.2
	9 to 12	24	14.6
	13 and above	8	4.9
	Total	**164**	**100**

Source: Field work, 2012-2014

4.3.1 Age

Under-18 years are not adult and would not be accepted into legal business like micro credit. In this regard, Table 1.2 show no person bellow 20 years who benefited the BOA micro credit. Beneficiaries between 20 to 30 years form only about7% and those above 51 years is about 14%. The bulk of the beneficiaries are within the age of 31 to 50 years and forming about four-fifth of the beneficiaries. This has conformed to the conventional productive age.

4.3.2 Gender

The size of male borrowers was about two-third and female borrowers about one-third of the beneficiaries. This would suggest that the BOA management tend to favour less privileged males than the females. This finding appears contrary to the conventional emphasis of micro credit target to develop the less privileged women.

4.3.3 Marital Status

Nearly 9 out of 10 beneficiaries were marred. The combined widows, divorced/separated and single form only 1 out of 10 beneficiaries of micro credit. It would be said that the BOA management has favoured the married people despite the effort to alleviate the poverty of the less privileged widows, divorced/separated and the unmarried youths.

4.3.4 Literacy Level

Literature has revealed that literacy has positive influence on the demand for micro loans as in the cases of rural China and India experiences. Likewise, this finding, Table 4.2 shows moderate education of the secondary level patronized micro credit

most. This level alone takes nearly 30% of the beneficiaries. Those with tertiary education level constitute less than 6%, and could be due the fact that most of such groups are not many in the rural areas. This at this level also might have secured better employment hence no more interested in the micro loans. Those with non-formal education which have been the focus of micro credit have benefited less in the BOA micro credit. The feeling of inferiority which has been a usual problem of the illiterates might have deprived them.

4.3.5. Occupation

Table 4.2 has confirmed that agriculturally based occupations were given priority as the responses show more than a half in farming business. This means that farming plays important role in micro credit businesses. It has also conformed to promotion of micro credit in concessionary to peasant farmers. Low salary workers perhaps, most of who acquire the micro credit to invest in productive projects to supplement of their income formed 26% of the beneficiaries. The bank could also favoured the low salaried because of their ability to repay the loan from the salary through monthly deductions. This gesture has been discerned from interviews with the bank managements. However, the bank record covered the salaried participants' loans as farming investments. Artisans and small scale traders who are also focus of the micro credit have together formed 14% of the beneficiaries. Labour work and other are generally not focused much by BOA thus beneficiaries here form only 1 out of 10.

4.3.6 Farm Size

Table 4.2 shows that those who have no farm land, perhaps those whose investments require no farmland, accounted for only 1 out of every 10 beneficiaries. Those with

land between 1 to 4 hectares constituted about a half of the beneficiaries. This suggests a positive relationship between land and micro credit. Those having 5 to 8 hectares form about 2 out of 10 beneficiaries. The least beneficiaries are those with farm size above 13 hectares, constituted less than 5 out of a 100 borrowers. Owning moderate farm sizes of between 1 to 8 hectares seem to have influenced micro loans investment.

4.4 DETERMINANTS OF THE LESS PRIVILEGED BENEFICIARIES

The issue here is to examine the physical and social impediments that qualify the sampled beneficiaries as belong to the less privileged group. The first objective of this study entails determining conformity of the actual beneficiaries to the less privileged groups which was targeted with the micro credit scheme of the BOA. The social impediments causing people to be less privileged could be economic, social or political, while the physical impediments could be deformity, amputation, visual and or audio problems and debilitating illness as HIV/AIDS. The target of the micro credit scheme of the BOA has been generally the less privileged populace who are trapped in the vicious cycle of poverty and which the loan is hoped to liberate. To achieve this objective data were solicited on the physical and social impediments of the respondents to see if they are actually the less privileged groups' target of the scheme. There were 16 impediments found common among the study population and which were used to assess their impediments status.

Table 4.3 present the impediments of the beneficiaries. The largest segments of the less privileged groups were those found as just being "merely poor". Peasants farmers and low salaried workers (who joined the borrowers under the status of peasant

farmers) and artisans constitute this category. Other significant forms of social disabilities were victims of violence and victims of disaster, underemployed, outcaste (socially segregated), orphan, and others associated with debilitating illness. On the overall, those who are less privileged due to social impediments constitute the largest segment (85%) of the beneficiaries, while those who are less privileged due to physical impediment constitute about 15% only.

Table 4.3 Determinant of the Less Privileged beneficiaries

S/No.	Respondent's impediments	No. of borrowers	%
1.	Just less privileged	46	28
2.	Victim of violence	31	18.9
3.	Under-employment	23	14.0
4.	Victim of disaster	20	12.2
5.	Deformed body	9	5.5
6.	Loss of formal job	7	4.3
7.	Audio-Visual problem	7	4.3
8.	Unemployed youth	5	3.1
9.	HIV/AIDS victim	5	3.1
10.	Social segregation (Outcaste)	5	3.0
11.	Others (debilitating illness)	3	1.8
12.	Old age	2	1.2
13.	Orphan	1	0.6
TOTAL		164	100

Source: Field work, 2012-2014

This finding has established the fact that BOA has achieved its goal of reaching mostly the socially impeded less privileged groups than the physically impede less privileged groups. However, there are absolutely non-involvements of the destitute beggars, the debilitated sicklers and lepers. This has left yet a big challenge needed to be addressed both at the government policy level and the BOA management perspective. Regarding international practice according to the literature, the policy needs to cover these least privileged groups with safety net package designs.

4.5 BOA ADMINISTRATION OF MICRO CREDIT TO LESS PRIVILEGED GROUPS

How BOA administers its micro loan to the vulnerable borrowers was examined**.** It finds the ways information about the micro loans was disseminated to mobilize the less privileged groups. It enquires at the beneficiaries' assessment of the administration of the micro credit scheme by the BOA to them, and probes what the bank officials say about the behaviour of the less privileged beneficiaries. The section was concluded by identifying some adverse effects that are associated with the micro credit scheme.

4.5.1 Information Dissemination Channels to Access Micro Credit

The official methods used by BOA management to mobilise the less privileged clients were through the BOA Micro Credit Committee. The committee comprises of the cooperative society officials, bank officials, head of the communities, the Divisional Police Officer (DPO), the State Security Service (SSS) and any one person of integrity in the community. In addition to these, the respondents have identified other effective ways of getting information to prospective borrowers as shown in Table 4.4.

Table 4.4 Channels of Awareness about BOA Micro Credit Facilities

S/No.	Information channel	No. of borrowers	%
1.	Influenced through personal contact	122	74.4
2.	Mobilised by BOA official ways	32	19.5
3.	Motivated through media and other ways	10	6.1
TOTAL		164	100

Source: Field work, 2012-2014

The responses revealed that nearly three quarter of the beneficiaries were influenced through personal contacts with friends, relations and neighbours. Those mobilized through BOA official ways was about fifth, and less than a tenth mobilized through media publicity. The large number of those who indicated that they were influenced through personal contact could be that the success of one person with the bank's micro credit facilities served as a demonstration example for others to follow. From this outcome the BOA management should think of formalising personal contact as a way of disseminating its information to the less privileged groups. For instance there are methods in education called peer educators and peer group influence through which to share knowledge.

4.5.2 Application and Approval Procedure of Accessing Micro Credit and Responses

Application for micro credit procedure is outlined in the Brochure (*op cit*). The first requirement is that the aspirant must be member of a registered and certified cooperative society. He must open an account with a specified minimum amount in BOA branche and operate it for six months before completing the application form. No collateral is demanded but the cooperative society guarantees its members. The bank assesses the individuals' eligibility collectively as a group based on the

applicants' ability to manage their stated businesses. A group members must engage on the same project type. Rejections of the group are made by bank management with the consent of the cooperative societies. The experiences in the BOA branches in the study area are that very few not more than one out of ten cooperative societies that applied were rejected. It was known that illegible aspirants were not allowed to join the groups. It is the groups that can know how many of the less privileged people demanded the micro loans and were not successful because the cooperative members refuse them on the reasons labeled against them. It was informed that the first few members who initiated the cooperative group had to be going around looking for legible ones among the less privileged people to join the group. The issue of legibility to join a group as determined by the guidelines given by the BOA has prevented the non-estimated number of the less privileged persons. This practice by implication has caused inclusion of non-eligible persons and the exclusion of the eligible persons in selecting micro credit clients. Most disabled persons were denied membership by the cooperative societies and the poorest were rejected since they cannot afford the initial start-up deposit amount.

Responses of the less privileged groups as indicated earlier in Table 4.2 show that farmers responded more positively. They constituted over a half of the beneficiaries. This was followed by salary earners and then artisans. Traders, labourers and non-specific occupational groups are quite few. It is clear that demanding certain amount deposit for six month to qualify a person has dichotomised the less privileged groups into the able and the unable thereby excluding the poorest and the destitute from the micro credit enterprises.

4.5.3 Terms and Amounts of the BOA Micro Loans

The terms and amount of BOA micro credit are spelt out in the NACRDB brochure (*op cit: 4*). The points are that the loans are solely on short term basis with maximum duration of 24 months and the amount not exceeding =N= 250,000.00. Interests charge at 8%. Repayment schedule could be installmentaly or by the end of the year specified in the loan term. Sometimes the interests are deducted from the borrower's initial deposit. Moreover, a borrower can go ahead for many years with subsequent borrowing after full repayment of the previous loans. The BOA micro credit term is for a maximum period of two years (Appendix viii). This study therefore considered the loan terms of 2001/2002, 2003/2004, 2005/2006, 2007/2008, 2009/2010, 2011/2012 and 2013/2014. Informed by this practice this study categorizes the loan periods into two-year intervals which are 2001/2002, 2003/2004, 2005/2006, 2007/2008, 2009/2010, 2011/2012 and 2013/2014. The loan amounts are categorised into ranges of twenty-five thousand naira as follows: 1 - 25, 26 - 50, 51 - 75, 76 - 100, 101 - 125, 126 - 150, 151 - 175, 176 - 200, 201 – 225 and 226 - 250 thousand naira. This enables the study to assess objectively any trend and/or pattern in the amount of credit granted by BOA.

Other micro credit institutions promote increases in loans amount where individuals who have a track of timely repayment can be rewarded by granting larger credit; but BOA micro credit amount has been strictly limited to the =N= 250,000.00 only. The minimum amount of BOA credit given to the less privileged is aimed at providing the first stepping stone for empowerment. It is anticipated that over time the benefitting poor would qualify for higher credit from the 'macro credit' scheme. There is the practice of giving uniform amount of loan to borrowers in the same cooperative

group. This practice is not favourable to all the members of the group, because the amount could be too small for some, while too big for others in the same group. It might be much better if the amounts granted individuals within a group were based on their enterprises capacities.

4.5.4 Unique Features of BOA Micro Credit from Previous Credit Programmes

From the literature reviews of other Nigerian micro credit granting programmes and findings of this study, the reformed BOA micro credit administration has unique features from the previous programmes. Such previous programmes are Nigerian Agricultural Bank (NAB) of 1973, Nigerian Agricultural and Cooperative Bank (NACB) of 1978, People's Bank of Nigeria (PBN) of 1987 and Family Economic Advancement Program (FEAP) of 1997. Unlike the other programmes that gave parts of the loans in materials, the BOA gives only cash. While the others provided a wide range of backstopping services, BOA's backstop services are limited to little skills training, expert advisory services, banking facilities such as ATM transactions and cash transfers, micro savings and micro insurance. Unlike the previous programmes that provided short, medium and long term loans, the micro credit scheme sector of the BOA operates only short-term loans

4.5.5 Respondents' Constraints in BOA Micro Credit Administration

Micro credit beneficiaries identified some constraints they encountered in the process of obtaining the BOA micro credit as presented in Table 4.5. The table involves multiple responses and possible responses for each variable were 164.

Table 4.5 Constraints to BOA Micro Credit Facilities

S/No	Difficulties in Borrowing BOA Loans	No of respondents	%
1	Late disbursement of funds	146	41.0
2	Long distance from the bank	128	36.0
3	Long procedure	42	11.8
4	Dishonest officials	20	5.6
5	High interest rate charges	20	5.6
Total		356	100.0

Source: Field work, 2012-2014

The table shows that the greatest difficulty encountered by the borrowers is late disbursement of micro loans as identified by almost nine out of every ten respondents. Late disbursement is caused by the bank management. Also, almost eight out of every ten respondents identified long distance from the BOA branches as a constraint. This suggests the need to increase more branches located closer to the aspirants. The long procedure involved in acquiring the loan was identified as constraint by a quarter of the respondents. The respondents might be of the view that the procedure from cooperative society formation through certified registration to application for and approval of loans takes too long for the target less privileged group. In terms of dishonest officials and high interest charges identified as constraints by only about one person out of every ten respondents..

4.5.6 Specific Problems of Borrowers Identified by BOA Management

BOA management reveals some problems it encountered while dealing with the very poor applicants. The problems identified include: the very poor not meeting the criteria to qualify for micro loan; the very poor often keeping away from engaging in small scale businesses that can attract micro credit, and some borrowers using the

loan for purposes other than the projects approved in the loan application. BOA management has also indicated some measures taken to address the problems. The cooperative societies hold regular meetings and report problematic issues to the bank management. In cases of repayment defaulting, the BOA management solicits for the intervention of cooperative society officials to get the defaulting borrower to pay.

4.6 BORROWING AND INVESTMENT PATTERN OF BOA MICRO CREDIT

To achieve the third objective of the study, the borrowing and the investment patterns of the BOA micro loans by the borrowers were investigated.

4.6.1 Borrowing Pattern of Micro Credit from BOA by the Respondents

The BOA management documents' printout (Appendix VIII) indicates that most of the borrower group members collect uniform amounts of the micro loans in the loan term years. Therefore, the exact uniform loan amount individual borrowers collect are shown on the documents. However the amount an individual collects in one loan tern may be slightly different from the ones collected in the previous years. Moreover it is common that individuals or groups of borrowers shift from one loan category to the other over the years of subsequent collections. In terms of different groups within same loan category, there were variations in the amounts given, depending on the group's initial deposit and business strength. In the study area the actual amount loaned out by BOA to individuals ranged 26,000.00 to 200,000.00 naira. The micro credit disbursements pattern and trend over time were examined and presented in Table 4.6 which shows the whole borrowing pattern and trend from 2001/2002 to 2013/2014. The sources were combinations of the management's records and questionnaire Administration on the borrowers compiled from 2012 to-2014.

Table 4.6 Borrowing Pattern from 2001/2002 to 2013/2014

Loan Amount Category (=N=000)	Loan Term Years, No. of Borrowers and Amount Borrowed in (=N= 000)						
	2001/2002	2003/2004	2005/2006	2007/2008	2009/2010	2011/2012	2013/2014
	Brs. Loan	Brs. Loan	Brs. Loan	Brs. Loan	Brs. Loan	Brs. Loan	Brs. Loan
	No. Amount	No. Amount	No. Amount	No. Amount	No. Amount	No. Amount	No. Amount
26 – 50	16: 608	25: 950	30: 1,140	25: 950	22: 836	18 702	16 752
51 – 75	16: 1,008	25: 1,575	36: 2,268	31: 1,954	24: 1,512	20 1212	22 1,408
76 – 100	14: 1,232	17: 1,496	22: 1,936	24: 2,112	28: 2,464	22 1936	24 2,064
101 – 125	13: 1,469	17: 1,921	27: 3,051	28: 3,164	30: 3,390	32 3680	31 3,472
126 – 150	10: 1,380	14: 1,932	21: 2,898	25: 3,450	24: 3,312	22 3080	23 3,174
151 – 175	8: 1,304	14: 2,282.	12: 1,956	13: 2,119	16: 2,608	28 4480	26 4,212
176 – 200	7: 1,316	12: 2,256	16: 3,008	18: 3,384	20: 3,760	22 4070	22 4,356
Total	84: 8,317	124: 12,412	164: 16,257	164: 17,133	164: 17,882	164: 19,160	164: 19,438

Source: Field work 2002 to 2014

It is seen in Table 4.6 that only 84 of the sampled borrowers participated in BOA's micro credit scheme in 2001/2002. But as time went on others joined so that by 2005/2006 all the 164 borrowers sampled have all become participants. This doubled increase in borrowers over a few years indicates that the reformation in the bank in 2000 has made the bank more buoyant. The table further shows that in all the years none of the borrowers collected the micro loan amount less than =N=26,000.00 and none above =N=200,000.00. The lending did not comply with the guideline on the brochure that stated the loan range from =N= 1,000.00 to =N= 250,000.00. From the data on table, calculations of the amounts of loan given to the number of borrowers' trend from 2001/2002 to 2013/2014 revealed that larger number of borrowers was given smaller amount at lower amount loan range. As the loan amount increases the number of borrower decreases. To prove these, few data from the table are calculated which the results are the followings: 15% of borrowers were given only 5% of the loan within the range of 26 – 50 thousand naira. But at the higher loan amount range 176 – 200 thousand naira, only 11% of the borrowers collected as high as 20% of the loan amount. It shows that borrowers were larger in number at the smaller ranges of loan amounts and fewer borrowers at larger range of loan amounts. The trend indicates that the total loan amounts given increased from =N=8,317,000.00 in 2001/2002 to =N=19,438,000.00 in 2013/2014. Even if the number of borrowers remain constant 164 as from 2005/2006 to 2013/2014 the total loan amount given still increased from =N= 16,257,000.00 to =N= 19,438,000.00 respectively indicating borrowers are gaining capacity to borrow larger amount over time of continuous borrowing. The calculated cumulative number of borrowers for all 14 years of borrowing period was 1,028 and cumulative amount loaned over the 14 years was =N= 108,602,000.00.

4.6.2. Investment Pattern of BOA Micro Credit by the Respondents

Beneficiaries of BOA micro credit derive two forms of benefit from the bank- tangible and intangible- both of which aid them in production and to improve their wellbeing. The tangible benefit from the bank is the cash the bank gives as loans to the beneficiaries which they use to procure production inputs. The intangible benefits, on the other hand, are the backstopping services the bank provides its customers. For the purpose of the analysis, the two categories of benefits are regarded as "investment inputs" in this study. They are also treated as independent variables because of the influence they are thought to exert on the production capability of individual borrowers**.**

The micro loans amount invested through different input variables of the sampled less privileged people in this study are presented in Table 4.7. The amount of input of each of the independent variables was appropriately scored into one of the eleven ranges represented by numbers 0 to 91 and above.

The investments made can be read in descending order as follows- highest is transportation then labour and fertilizer. Next to these are light tools, animal power and marketing followed by the backstop, insurance and GSM with same values. Others are banking, energy, seeds, herbicides and others (miscellaneous). There are high responses of low investment through some of the input variables, for instance, rentals, storage, disaster control, construction of structures, and animal. It is inferred that many borrowers did not use animal power but the few that used it invested heavily on it, perhaps as plough animals. The statistical significance of the investments through these input variables is determined later in this work.

Table 4.7 Micro Credit Input Variable Investment (=N= 000)

Investment Variables	0 (0)	1–10 (1)	11–20 (2)	21–30 (3)	31–40 (4)	41–50 (5)	51–60 (6)	51–60 (7)	71–80 (8)	Total responses	Calculated Total Scores
Land	28	46	57	20	8	5	0	0	0	164	277
Labour	0	32	34	52	31	5	4	4	2	164	473
Animal	97	19	21	9	3	3	6	6	0	164	190
Light tools	0	78	54	20	12	0	0	0	0	164	294
Fertilizer	36	59	22	17	15	7	4	4	0	164	301
Herbicides	40	98	26	0	0	0	0	0	0	164	124
Seeds	38	96	30	0	0	0	0	0	0	164	126
Transport	0	18	32	35	24	20	15	15	5	164	618
Storage	87	38	29	10	0	0	0	0	0	164	126
Backstop	0	97	67	0	0	0	0	0	0	164	164
Banking	0	144	20	0	0	0	0	0	0	164	144
Insurance	0	164	0	0	0	0	0	0	0	164	164
Rentals	99	60	5	0	0	0	0	0	0	164	70
Marketing	0	156	8	0	0	0	0	0	0	164	172
Disaster cont	84	62	18	0	0	0	0	0	0	164	98
Construction	80	60	24	0	0	0	0	0	0	164	84
GSM	0	160	4	0	0	0	0	0	0	164	164
Energy	88	40	22	10	4	0	0	0	0	164	130
Others	92	62	10	0	0	0	0	0	0	164	72

Source: Field work 2012-2014

Investment projects pattern of BOA micro credit: The different types of projects on which the micro credit borrowers invested their loans during the seven micro loan terms from 2001/2002 to 2013/2014 are shown in Table 4.8

Table 4.8 Income Generating Activities in Which BOA Micro Credit Borrowers Have Invested (2001/2002 - 2013/2014)

Project Item	2001/2002	2003/2004	2005/2006	2007/2008	2009/2010	2011/2012	2013/2014	Total
Agricultural								
Arable	1,602,000.	3,006, 000.	4,454,000	4,856,000	5,009,000	5,209,000	5,423,000	29,559,000
Fadama	903,000.	1,303,000.	1,385,000.	1,482,000.	1,482,000.	1,484,000.	1,566,000.	9,605,000
Rice	1,205,000.	1,400,000.	1,600,000.	1,722,000	1,722,000.	1,846,000.	1,924,000.	11,419,000
Cassava	703,000.	861,000.	1,008,000.	1,168,000.	1,189,000.	1,284,000.	1,382,000.	7,595,000
Vegetable	302,000.	602,000.	755,000.	832,000.	864,000.	962,000.	962,000.	5,279,000
Cattle	402,000.	542,000.	892,000.	912,000.	1,094,000.	1,094,000.	1,446,000.	6,382,000
Ram/Sheep	203,000.	260,000.	380,000.	400,000.	500,000.	600,000.	600,000.	2,943,000
Piggery	201,000.	424,000.	440,000.	452,000.	452,000.	545,000.	545,000.	3,059,000
Poultry	400,000.	620,000.	596,000.	646,000.	685,000.	784,000.	784,000.	4,515,000
Fishery	402,000.	502,000.	594,000.	633,000.	767,000.	868,000.	868,000.	4,634,000
Crop process.	302,000.	302,000.	497,000.	594,000.	549,000.	647,000.	647,000.	3,538,000
Non-agricultural								
Cottage Prod.	403,000.	682,000.	964,000.	944,000.	948,000.	1,044,000.	1,044,000.	6,029,000
Restaurant	302,000.	503,000.	792,000.	662,000.	662,000.	696,000.	776,000.	4,393,000
Carpentry	200,000.	206,000.	283,000.	283,000.	283,000.	324,000.	366,000.	1,945,000
Carwash	160,000.	160,000.	220,000.	220,000.	220,000.	330,000.	440,000.	1,750,000
Tailoring	220,000.	320,000.	366,000.	366,000.	366,000.	400,000.	400,000.	2,438,000
Welding	81,000.	101,000.	180,000.	180,000.	180,000.	220,000.	240,000.	1,182,000
Bab/Saloon	140,000.	243,000.	280,000.	280,000.	280,000.	310,000.	340,000.	1,873,000
Trading	202,000.	392,000.	587,000.	517,000.	594,000.	594,000.	594,000.	3,480,000
Total	8,333,000	12,429,000	16,273,000	17,149,000	17,846,000	19,241,000	20,347,000	111,618,000

Source: Summary of Appendix V

Table 4.8 shows that total investments in 2001/2002 was =N= 8,333,000. The investments generally increased over the years such that by 2013/2014 it became =N=20,347,000. These investments were put into different projects, agricultural and non-agricultural, details of which are shown in Table 4.8. Note, arable farming investments cover guinea corn, maize, millet, groundnuts and beans. Perhaps, because some borrowers used the micro fund for non-investment purposes, it could be inferred from Table 4.8 that the total investments for the year 2009/2010 was =N= 17,846,000.00 which was a little less than the =N= 17,882,000.00 total amount borrowed the same years 2009/2010 in table 4.6.

4.6.3 Utilisation of BOA Micro Credit Collected by Respondents

The uses to which the beneficiaries have put the micro credit borrowed from BOA is summarised in Table 4.9

Table 4.9 Ways the Micro Credit Collected was Utilised

S/No	Micro Loan Uses	Micro Loan Borrowers	%
1.	Productive Projects	120	73.2
2.	Skills training and schooling (Human resources)	34	20.7
3.	Death, birth and ceremonies (Obligations)	2	1.2
4.	Shared to all 1, 2 & 3 above	8	4.9
Total		164	100

Source: Field work, 2012-2014

Table 4.9 shows the categories of uses to which the respondents have put the microcredit they took from BOA. Investment in projects took the lion share of over tree-quarter of the beneficiaries loans, while human resource development such as education, health and marriage for young ones (none direct productive investments)

took about One fifth of the loans. The proportion spent on life obligations and unspecified needs were just 1% and 5% respectively.

4.7 DIFFERENCES IN LIVING STANDARD BEFORE AND DURING MICRO CREDIT UTILISATION

An assessment of the differences in income and living standards of the beneficiaries before and during micro credit use was done to achieve the study objective four. A broad range of living standard/quality of life (dependent) variables was considered from the literature and 19 found relevant for this study were selected and are presented in Appendix IX. Figure 4.2 illustrates the data in the Appendix IX with comparative bar graph showing living standard before and when using micro credit and the differences shown.

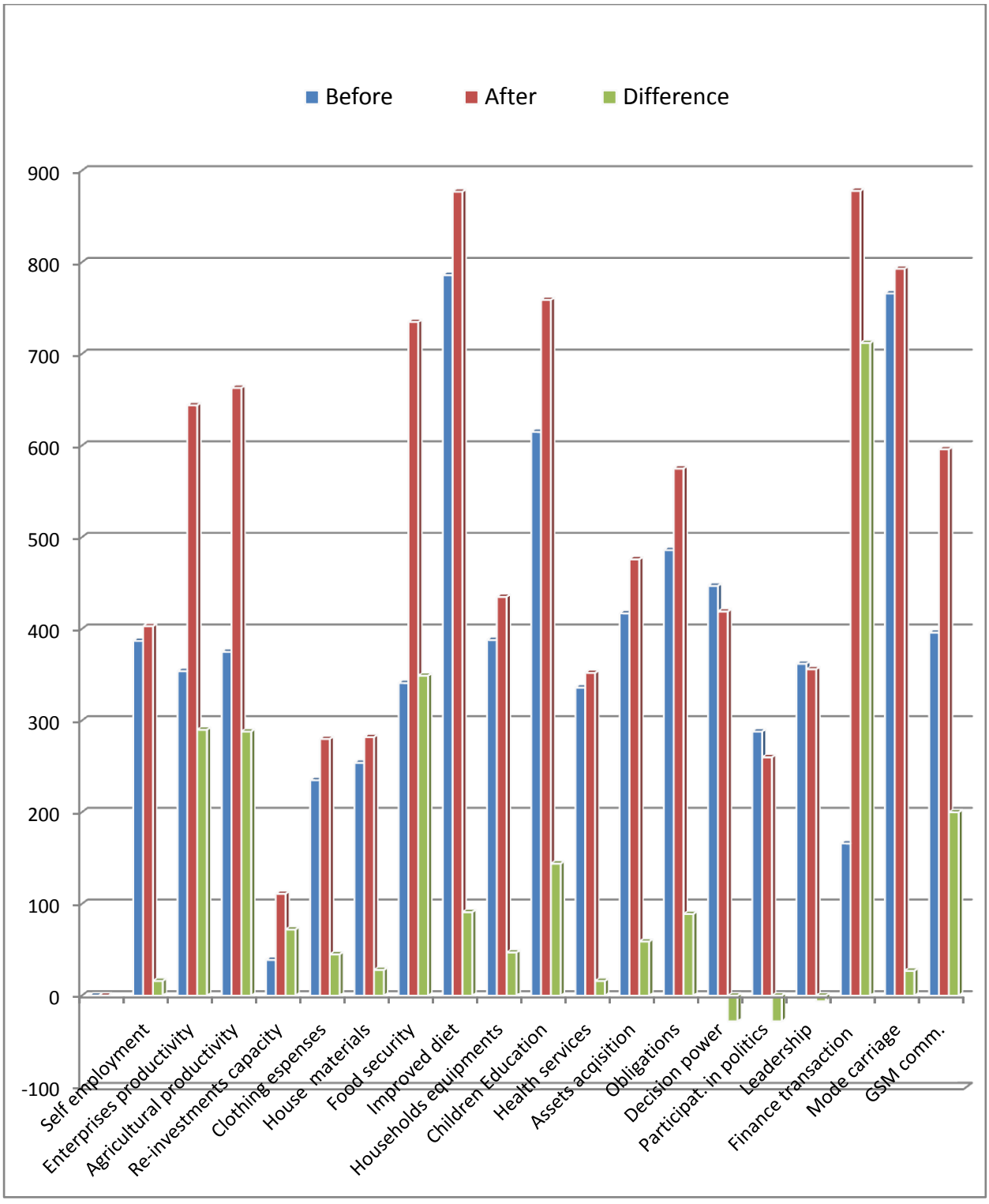


Figure 4.2, Living Standards Before, During Micro Credit and Differences
Source: Graphical illustration of Appendix IX

The most important measure is to look at the differences and to explain the possible reasons for the magnitude of changes. Looking at the differences between the bars, financial transaction stands the highest. This was surely because banking transaction has been made as a compulsory precondition for micro credit beneficiaries. There were also food security, enterprises productivity and agricultural productivity which directly indicate the success of the micro credit goals of increasing productivity. The next highest difference is the GSM communication among the beneficiaries. This could also be due to the fact that the period of BOA micro credit has coincided with the period of GSM proliferation among the public. The most unimpressive areas are health services and self-employment which are very negligible but were of the main objectives of micro credit scheme. Though it simply means the self-employment status and health services of the beneficiaries did not change much during access to the micro credit. Some differences show negative impacts and they include participation in politics, decision making power and leadership promotion. This means the situations were better before than during the use of micro credit.

Despite these few negative differences it can still be declared that micro credit has made an impact on living standard of the micro loan borrowers as shown by positive differences in most of the variables. Nevertheless a statistical analysis will be employed to test them at a statistically significant level to justify the claim.

4.8 HUMAN CAPACITY BUILDING IMPACT OF MICRO CREDIT SCHEME OF THE BOA

The study objective five was an effort to determine the impact of the micro credit scheme of BOA on human capacity building amongst the less privileged group borrowers. Human capacity building "focuses on a series of actions directed at helping participants in the development process to increase their knowledge, skills and understandings and to develop the attitudes needed to bring about the desired developmental change" (Crowder 1996). Crowder explains that human capacity building encompasses aspects of awareness-raising, education and training, attitude change, confidence building, participation in decision-making and action. Other essential mechanisms for human capacity building are access to innovative and proven methodologies; networking and funding opportunities; replicable models and public outreach. Through human capacity building, individuals and groups are empowered to expand their abilities to fully participate in the development process.

In line with this concept, one of the BOA objectives stated in its brochure and in the customer's guide was "promotion of capacity building through the provision of relevant training and advisory services". This study therefore assesses the extent to which the BOA micro loan has built human capacity among the borrowers and how it has enabled them to make certain entrepreneurial progress towards self-reliant. This assessment covers BOA's human capacity building actions which include training and advisory services, initiations of new businesses, backstopping services and banking operations development. The information requires both perceptual and factual data and in order to harmonise the indices the "proxy" measures which is considered most appropriate has been applied here.

4.8.1 Human Capacity Building through Training and Advisory Services of BOA

The extension and advisory service of the BOA administration was aimed to train the borrowers on investment techniques. The BOA management partially trains beneficiaries especially those new in the business prior to loan disbursements with the objective to build their capacity to enable them manage their loans properly. The trainings were based on groups who have similar projects. For instance the whole group members engaged on cassava project was given same training. This was to facilitate relevant trainings for each different group at lowest cost. Table 4.10 presents the beneficiaries' rating of the effectiveness of BOA skills training and advisories services in terms of the influences on their entrepreneurial funding, management, skills and investment techniques before and with the loan. There are three possible responses on each item and the averages are presented in table which shows the rating of the respondents. About 7% of them rated it as 'very good' before and 27% rated it as 'very good' during the use of BOA's micro credit. Equally about15% rated the effectiveness as 'good' before micro credit use, which rose to 34% during micro credit utilisation. Those who rated it as 'bad' before constituted 55% which went down to only 10% during micro credit use. On account of this impressive human capacity building impact made by micro credit, one would suggest that BOA management should strengthen its training and advisory services to the less privileged group beneficiaries to advance more of the impacts.

Table 4.10 Beneficiaries' Rating the Influence of BOA Training and Advisory Services on Entrepreneurial Funding, Management Skills and Investment Techniques

Period	Bad	%	Fair	%	Good	%	V. good	%	Total	%
[1]Before	55	33.5	74	45.1	24	14.6	11	6.7	164	100
[2] During	10	6.1	54	32.9	56	34.1	44	26.8	164	100

Note: [1] Refers to the period before the respondents had access to BOA micro credit
[2] Refers to the period when respondents were utilising BOA micro credit
Source: Field work, 2012 -2014

4.8.2 Capacity Building for Business Initiation through BOA Micro Credit

The BOA micro loans were meant for the less privileged group borrowers to invest on either existing projects or open new projects. They could also invest on human resource development in form of education, health, and social supports or invest on all the forms.

Table 4.11 shows that when 50 of the borrowers were engaged on former/existing projects before the loan the responses raised to 90 with the loan. Again 26 responded to have engaged in new projects before accessing BOA micro credit, but the number rose to 59 when access to BOA micro credit. Investments on human resources attracted 2 responses before and 4 when accessed the BOA micro credits.

Table 4.11 Beneficiaries' Form of Investment Before and During the Loan Use

Period	None	%	Former projects	%	New projects	%	Human resource	%	All forms of projects	%	Total
[1]Before:	80	48.8	50	30.5	26	15.9	2	1.2	6	3.6	164
[2]During:	00		90	54.9	59	36.0	4	2.4	11	6.7	164

Note: [1] Refers to the period before the respondents had access to BOA micro credit
[2] Refers to the period when respondents were utilising BOA micro credit
Source: Field work, 2012-2014

Similarly when shared between investing on former or existing projects and new projects, it was 6 respondents before the credit and 11 during the use of micro credit. The responses were fair, because it is expected that the borrower have gained the necessary experiences to be able to effectively utilize the micro loans. Equally the percentage of establishing new projects of about one-third is encouraging for more support of the micro credit scheme. It has indicated that the micro loans have developed entrepreneurial spirit among the borrowers. However the former projects still maintained its high position of over a half of the beneficiaries investments in it.

Human resources development in form of specialisation in skills and techniques are given considerations in the scheme's impact up to 2.4% of the beneficiaries.

4.8.3 Human Capacity Building of the BOA Backstopping Services

It was inferred from the data gathered on the prevailing backstop services offered by most micro credit institution include oral advice, skills training, banking facilities, marketing assistance, micro money transfer, extension services, micro savings, micro insurance and storage facilities among others. But BOA offers only five of the services mandatory to all borrowers. Oral advice, partial skills training, banking facilities, micro savings and micro insurance were the services which all the BOA borrowers have uniformly accessed 100% of each. The beneficiaries rated the positive contributions of the five backstopping services to their investments and the responses averages are presented by Table 4.12

Table 4.12 Rating the Five BOA Backstopping Services Contribution to Enterprises

Period	None	%	Little	%	Great	%	V. Great	%
[1]Before	30	18.3	69	42.1	53	32.3	12	7.3
[2]During	0	0	79	48.2	65	39.6	20	12.2

Note: [1] Refers to the period before the respondents had access to BOA micro credit
[2] Refers to the period when respondents were utilising BOA micro credit
Source: Field work, 2012-2014

Table 4.12 portrays the beneficiaries' rating their experiences of BOA backstopping services positive impact on their investments capacity and management skills. It shows that those indicated as 'little' has but little positive differences of 6% only. Likewise, indications as 'great' have positive difference but small, 7% only. Indications as 'very great' were only 4% positive difference. All the experiences

rating, although not much increased, show positive impact of the backstop services during the use of the BOA micro loans.

4.8.4 Human Capacity Building through BOA Micro Banking Operation

One of the objectives of the BOA micro credit scheme was to develop banking culture among the less privileged groups. Opening and maintaining bank account among the less privileged groups are positive contributions towards improving savings capacity and financial transaction. The impact of banking operations was examined for the periods before and during their access to micro credit services. The assessments and the results are as follows:-

4.8.4.1 Operating bank accounts by the less privileged group borrowers

Responses of the less privileged groups' having bank accounts and not having bank accounts were gathered for before and during micro credit use. The result in table 4.13 shows that before micro loans 8 persons out of 10 had no bank account and only about two out of 10 of the less privileged group beneficiaries had bank account. After borrowing the micro loans, all the borrowers got bank account opened.

Table 4.13 Bank Account Opening by the Less Privileged Groups

S/No	Open bank account	No. of Micro credit borrowers			
		Before	%	After	%
1.	None	130	79.27	0	0
2.	Have	34	20.73	164	100
Total		164	100	164	100

Source: Field work 2012-2014)

This response has conformed to the fact that participants must compulsorily open bank accounts as a precondition to receive the micro loans fund through the bank and

not cash across the counter. It was clear that micro credit has facilitated a hundred per cent bank accounts openings among the borrower less privileged groups. This is an excellent achievement of establishing good banking culture among the less privileged group beneficiaries.

4.8.4.2 Saving capacities of the less privileged group borrowers

The capacity to save is one of the indicators of economic buoyancy of entrepreneur. The savings capacity of the responding beneficiaries is shown in Table 4.14 in which 130 (79.3%) of the respondents had no bank savings before they started utilising BOA micro credit.

Table 4.14 Beneficiaries' Savings Capacity with Use of BOA Micro Credit

S/No.	Savings amount (N 000)	No. of micro credit borrowers			
		[1]Before	%	[2]During	%
1.	None	130	79.3	0	0
2.	1 to 20	19	11.6	40	24.4
3.	21 to 40	15	9.1	56	34.1
4.	41 to 60	0	0	44	26.8
5.	61 to 80 plus	0	0	24	14.6
Total		164	100	164	100

Note: [1] Refers to the period before the respondents had access to BOA micro credit
[2] Refers to the period when respondents were utilising BOA micro credit
Source: Field work, 2012-2014

Referring to Table 4.14, of the respondents 19 had savings capacity of between 1 to 20 thousand naira, but during using the loans 40 respondents have savings capacity within the same range. Within the range of savings capacity of 21 to 40 thousand naira there were 15 respondents before BOA credit came, but the number of respondent with savings capacity within that range rose to 56. Before the loan no

borrower had savings capacity within 41 to 60 thousand naira, but with the loan the number of respondents who had savings capacity within that range rose to 44 persons. Moreover, whereas nobody could save between 61 and 80 thousand naira before access to BOA micro credit, 24 of the beneficiaries could save that much amount. Here micro credit has manifested a great impact on the savings capacity of the less privileged beneficiaries. Ability to save is an indication of economic buoyancy as the surplus saved could be reinvested in productive project and gradually graduate from micro credit to macro credit and subsequently to self-reliance credit free enterprises capital.

4.8.4.3 Financial transaction of the beneficiaries of BOA micro credit

The financial transactions of the borrowers before they access BOA micro credit and during their utilisation of the credit facility were assessed as measures of human capacity building. The responses are presented in Table 4.15. It shows that 72 close to half of the respondents were not performing in any financial transactions with banks before they accessed micro loans. Only 5 of the 164 respondents were involved in at least average of 6 monthly interval financial transactions. The frequencies of financial transactions amongst the respondents grew considerably after they obtained the BOA micro credit. With the micro loans 135 of the 164 respondents indicated that they were operating at least monthly financial transactions with the banks.

Table 4.15 Financial Transactions Before and During Micro Credit Use

Transaction	None	%	6 monthly	%	Quarterly	%	Monthly	%	Weekly	%	Total	%
[1] Before:	72	43.9	5	3.0	10	6.1	97	47	0	0	164	00
[2] During:	0	0	9	5.5	20	12.2	135	82.3	0	0	164	100

Note: [1] Refers to the period before the respondents had access to BOA micro credit
[2] Refers to the period when respondents were utilising BOA micro credit
Source: Field work, 2012-2014

This pattern shows that the BOA micro credit programme has considerably built the capacity of the respondents to engage in financial transactions more frequently. One of the BOA objectives was promoting culture of financial transaction among the less privileged group beneficiaries. This objective is achieved by this operation.

4.9 CRITICISMS AND COMMENDATIONS OF BOA MICRO CREDIT SCHEME

4.9.1 Perceived Adverse Effects of Micro Credit Scheme of BOA

Some unintended adverse consequences have accompanied the BOA micro credit scheme. These perceived adverse effects were assessed for before and during the micro credit uses and the results are presented in Table 4.16. It can be seen that 'Over proud' or showing exaggerated self-worth by beneficiaries is the most severe adverse effect identified by the respondents. This is followed by being 'too dependent' on micro loans which the respondents identified. Other adverse effects are land dispute, corruption, bribery drunkenness and drug abuse. The remaining which include increased polygamy, pilfering, divorce, feud, youth marriage and rubbery they carry equal lesser weight. The occurrences of side effects associating micro credit have created problems that need the urgent attention of both the government, BOA management and the benefiting community to solve them.

Table 4.16 Perceived Adverse Effects of BOA Micro Credit by the Respondents

S/No	Adverse effect of BOA Micro Credit	Micro Credit Borrower Responses				
		None (0)	Little (1)	High (2)	Total Valid	%
1.	Over proud	2	5	22	27	16.5
2.	Too dependence on loans	2	6	18	24	14.6
3.	Land dispute	3	9	14	23	14.0
4.	Corruption/Bribery	0	8	14	22	13.4
5.	Drunkenness/Drug abuse	3	5	8	13	7.9
6.	Increasing polygamy	4	5	6	11	6.7
7.	Pilfering	5	6	4	10	6.1
8.	Divorce	6	8	2	10	6.1
9.	Feud (hostility)	4	3	6	9	5.5
10.	Increased youth Marriages	4	7	2	9	5.5
11.	Rubbery	4	5	2	7	4.3

Source: Field work, 2012-2014

4.9.2 Respondents' Free Comments on the BOA Micro Credit Scheme

The respondents' views on BOA micro credit scheme as a strategy for empowerment among the less privileged groups were freely expressed. Their comments in multiple responses were broadly categorised and presented in table 4:17. The comments show almost all the respondents recommended micro credit for promoting agriculture. Equally almost nine out of ten say it promotes rural micro banking and improves living conditions of the less privileged group borrowers. About eight out of ten respondents says it's necessary for enterprises development. However, about three-quarter of the beneficiaries complained of too short loan period for meaningful investments. Also half of the respondents complained that BOA management has been careless about borrowers' disaster despite insurance policy taken. This was seen

as the bank management's inability to compensate the investors' loses based on the insurance policy.

Table 4.17 Free Comments on BOA Micro Credit Scheme by the Respondents

S/No	Comments	Borrower responses (n = 164)	%
1.	Promotes agriculture	161	98.2
2.	Promotes rural micro banking	146	89.0
3.	Improves living conditions	144	87.8
4.	Promotes enterprises	134	81.7
5.	Loan period too short	112	68.3
6.	Care less on Clients' disasters	84	51.2
7.	Generates conflicts in families	60	36.6
8.	Confiscates borrowers' assets	48	29.3

Source: Field work, 2012-2014

Interestingly about 36 out of a hundred condemned micro credit for generating conflicts in the borrower families, perhaps in conformity with the literature that pointed out instances where the wife collects the loan but the husband or the son spends the money living the wife with the debt burden. Adversely about 30 out of a hundred labeled micro credit as it confiscates the little assets of the less privileged. This could be when the borrowers is forced to sell his assets at wrong time for repaying the micro loan when due. These commentators' labels could discourage other less privileged families from aspiring for the BOA micro credit business. These problems have to be tackled at both conceptual and policy levels of the micro credit and making softer loan repayments schedule for the less privileged group borrowers.

4.10 TEST OF HYPOTHESES

Three hypotheses were stated in chapter one. Chi-Square (X^2) Tests was applied to test hypotheses one. Factor Analysis Principal Components Extraction with Varimax Rotation was applied to test hypotheses two. Chi-Square (X^2) Tests was also applied to test hypotheses three. SPSS software version 20 package was used to run the analyses. The calculations and results of the tests followed by relevant discussions are presented as follows:

4.10.1 Hypothesis Test One

Hypothesis 1 is for determining the achievement of study objective four which is to examine the differences in income and living standards of the micro credit beneficiaries for the periods before and during the utilisation of BOA's micro loans. Chi-Square (X^2) Test was applied at the statistical significance level of p- 0.05. The essence of this test is to ascertain how the micro credit has empowered the borrowers to be productive members of the society. The chi-square was to test the difference between the mean score of income and living standard for each of 19 variables for the two periods.

Table 4.18 shows the calculated X^2 values of mean differences, the degree of freedom *(Df)* and the p-value which measure the coefficients of the strength of the results of the test. All the coefficients of the computed *p*-values are less than the significance level of p- 0.05, confirming that there are statistically significant differences in the measure. However, there is only one exception which is re-investments capacity which exhibits p-values 0.227; to which the null-hypothesis cannot be accepted

because of this singly. Other variables show that the differences are statistically significant even at p- 0.01, include housing material 0.046, self-employment 0.019 and finance transaction frequency 0.004. Despite the one exception, the null hypothesis would be rejected and the alternative hypothesis accepted that there are significant and positive differences between the income and living standard of the beneficiaries for the periods before and during the utilisation of the micro loans. This analysis has shown clearly that the application of the micro loans has empowered the target less privileged group borrowers to improve their living standards.

Table 4.18 Summary of X^2 Test Results of Living Standard Differences of Borrowers Before and During BOA Micro Credit Use

	Variables	X^2-value	Df	p-value
1	Self-employment	80.239a	56	.019
2	Enterprises productivity	2.112E2a	24	.000
3	Agricultural productivity	1.972E2a	32	.000
4	Re-investment capacity	1.461a	1	.227
5	Clothing expenses	1.520E2a	4	.000
6	Housing Material	95.139a	15	.046
7	Food security	31.954a	12	.001
8	Improved diet	6.311E2a	56	.000
9	Household equipment	2.900E2a	35	.000
10	Children education	3.802E2a	24	.000
11	Health Service	4.483E2a	15	.000
12	Assets acquisition	5.274E2a	25	.000
13	Coping with obligations	5.687E2a	42	.000
14	Decision power	5.687E2a	42	.000
15	Participation in Politics	6.119E2a	25	.000
16	Leadership promotion	5.187E2a	42	.000
17	Finance transaction freq.	18.986a	6	.004
18	Mode of goods carriage	7.606E2a	49	.000
19	Phone call expenses	1.187E2a	28	.000

Source: Extracted from Appendix VI

4.10.2 Hypothesis Test Two

Hypothesis 2 stated that "There is no significant relationship between the micro credit inputs and the changes in living standard of the micro credit beneficiaries". The technique of Factor Analysis Principal Components Extraction with Varimax Rotation was used to determine the macro credit inputs that relate with or best explain the changes in various living standard indicators among the sampled beneficiaries of BOA micro credit scheme. Summary results of the analysis are presented in Tables 4.19. The level of statistical significance stated for considering living standard variables loading on input variables is p- 0.50 meaning loadings from this level and above are statistically significant.

Table 4.19, **Initial communalities** are estimates of the variance in each variable accounted for by all components. For principal components extraction, this is always equal to 1.0 for correlation analyses. **Extraction communalities** are estimates of the variance in each variable accounted for by the components. Before the extraction, 4 variables- Land, Seeds, Rentals and telephone were excluded because their extraction values are less than 0.50. Table 4.19 shows communalities for all variables above 0.50. However, the high extraction communalities indicate that the extracted components represent the variables well. The reason may be that most of the borrowers own their family land which correspond with less rent and select the seeds they use from the previous years' harvest thus spent lesser of the loan on the items. It is relatively real spending on phone are lesser compared to other investments inputs.

Table 4.19 Communalities of the Variables (data reduction)

Variable	Initial	Extraction (p)
Investment pattern	1.000	.857
Labour	1.000	.548
Animal	1.000	.619
Light tools	1.000	.890
Fertilizer	1.000	.773
Herbicides	1.000	.680
Transport	1.000	.649
Backstop	1.000	.860
Banking	1.000	.779
Insurance	1.000	.766
Marketing	1.000	.723
Disaster	1.000	.786
Construction	1.000	.760
Energy	1.000	.655
Other	1.000	.696

Extraction Method: Principal Component Analysis
Source: Output from SPSS analyses

Table 4.20 reveals the variance explained by the initial solution, extracted components, and rotated components. However, the eigenvalue displays the amount of variance in the original variables accounted for by each component, as seen from the total column where only six (6) components are greater than 1 out of 15 different components starting from component 1-6 while component 7-15 are all less than 1. Here the first component account for 27.7% of the variance of the input of Micro credit borrowers, second account for 12.1%, third account for 10.8%, fourth account for 8.7%, fifth account for 7.4% while sixth account for 6.9%. The remaining components have no influence on the input of BOA Borrowers. The **Cumulative %** column gives the percentage of variance accounted for by the first n components.

Table 4.20 Total Variance of Eigenvalue, Extraction Sums Sq. and Rotation Sums Sq. Explained

Components	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.157	27.713	27.713	4.157	27.713	27.713	3.012	20.080	20.080
2	1.809	12.059	39.772	1.809	12.059	39.772	2.101	14.010	34.089
3	1.617	10.783	50.555	1.617	10.783	50.555	1.934	12.893	46.982
4	1.308	8.717	59.272	1.308	8.717	59.272	1.631	10.875	57.857
5	1.112	7.413	66.685	1.112	7.413	66.685	1.284	8.557	66.414
6	1.039	6.928	73.613	1.039	6.928	73.613	1.080	7.199	73.613
7	.786	5.238	78.851						
8	.650	4.337	83.188						
9	.605	4.032	87.219						
10	.569	3.790	91.010						
11	.522	3.479	94.489						
12	.391	2.607	97.096						
13	.191	1.273	98.369						
14	.165	1.100	99.469						
15	.080	.531	100.000						

Extraction Method: Principal Component Analysis.
Source: Output from SPSS analyses

The Scree Plot Figure 4.3 is the eigenvalues against all the factors. The plot is useful for determining how many components to retain. The point of interest is where the curve starts to flatten. It can be seen that the curve begins to flatten between components sixth and seventh. Note also that, component seven has an eigenvalue of less than 1, so only six components should and have been retained. Moreover, the first six principal components which form the extracted solution explained nearly 74% of the variability in the original fifteen (15). Therefore, the complexities of the data set are reduced by using these components with only 26% loss of information.

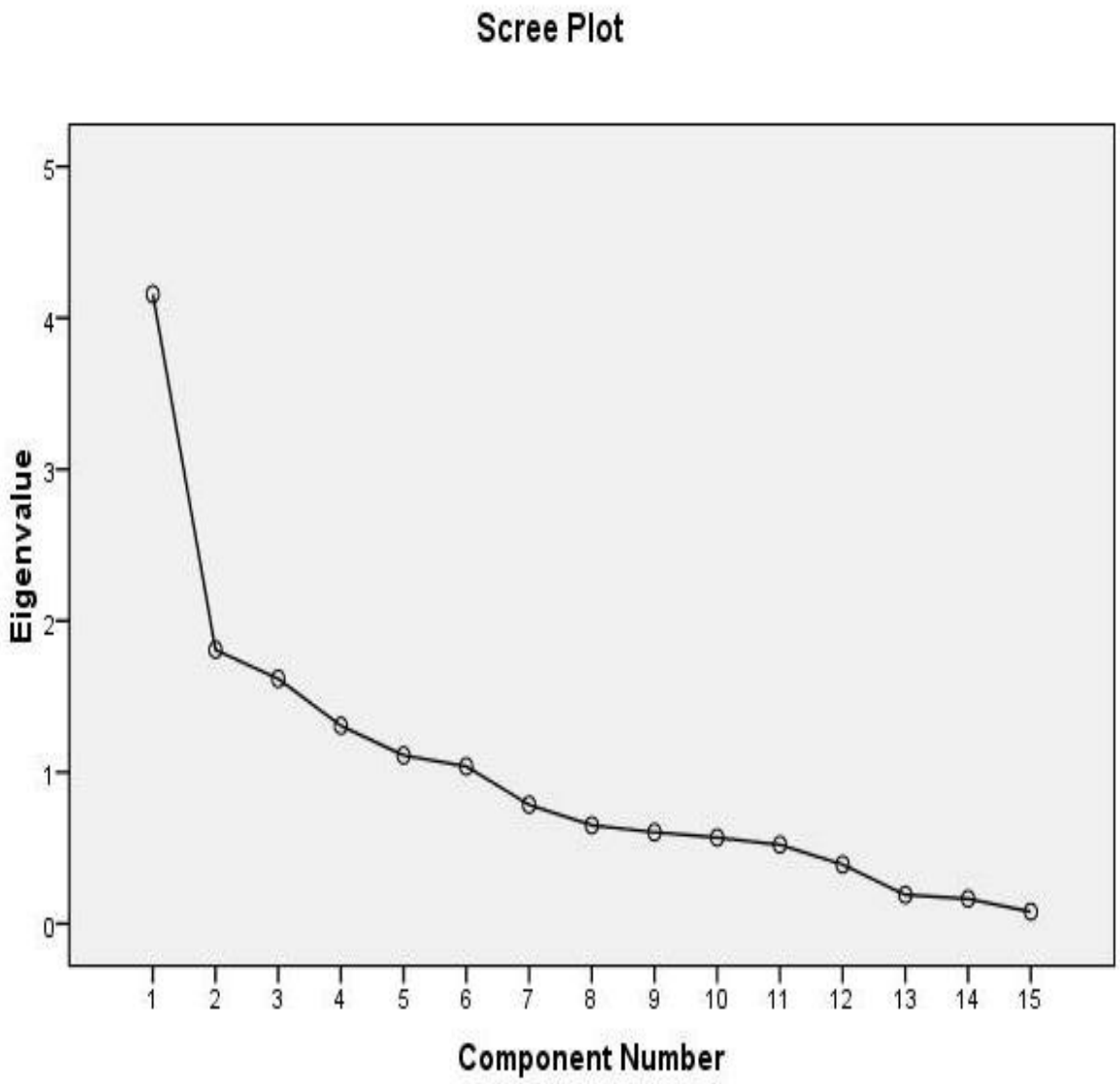


Figure 4.3 Scree Plot

From Kaiser-Meyer-Olkin Measure of Sampling Adequacy (Kaiser, 1974) in Table 4.21 there is a high proportion of underlying components which contribute to the variance in the variable used for this analysis having a high value of .671. However, the significant level of .000 being less than .05 as seen from the Bartlett's Test of Sphericity indicates that, the variables used for this analysis which comprise the input activities conducted by BOA micro credit borrowers are related and are therefore suitable for structure detection.

Table 4.21, KMO and Bartlett's Test (for structure detection)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.671
Bartlett's Test of Sphericity	Approx. Chi-Square	1.007E3
	Df	105
	Sig.	.000

Source: Output from SPSS analyses

From the component matrix in Table 4.22, it is observed that the first component is highly related with backstopping services, followed by light tools, construction and labour with .902, .892 .696 and .666 respectively. The second and third components are not related with any input activities of BOA micro credit borrowers. The fourth component is highly related with others with .603. This includes some miscellaneous inputs and behavioural activities conducted by micro credit borrowers. The fifth component is not related with any variable while the sixth component with a value of .852 is highly related with investment pattern. It can therefore be said that out of a total of 15 variables considered, only 6 variables i.e. backstopping, light tools,

construction, labour, others and investment pattern should be considered as the input variables that contribute highly to the living standards of micro credit borrowers.

Also, further observation from the component matrix revealed that some of the components are negatively or positively related to some input variables. In general, there are a lot of input activities conducted by BOA borrowers that also have correlation greater than 0.2 with multiple components. In order to get a clearer picture the rotated component matrix is examined.

Table 4.22 Principal Component Matrix

Variables	Component					
	1	2	3	4	5	6
Investment pattern	-.019	.180	-.264	-.043	.162	.853
Labour	.666	.114	.225	.072	-.096	.163
Animal	-.317	-.031	.460	-.322	.446	.060
Light tools	.892	.181	.107	-.120	-.110	-.154
Fertilizer	.159	-.852	-.080	-.073	.087	-.058
Herbicides	-.287	-.588	.332	.221	-.306	-.014
Transport	.350	.212	.554	.252	.288	.166
Backstop	.902	-.155	.111	.067	-.069	.019
Banking	.581	.411	.376	-.166	-.319	-.051
Insurance	.102	.223	.067	.594	.488	-.333
Marketing	-.022	.439	-.599	-.289	.030	-.293
Disaster	-.674	.079	.439	-.339	.111	-.070
Construction	.696	-.301	-.338	.189	.159	.095
Energy	-.457	.196	.120	.288	-.545	.118
Others	-.526	.209	-.108	.603	-.033	.017

Extraction Method: Principal Component Analysis (6 components extracted)
Source: Output from SPSS analyses

The component transformation matrix (Table 4.23) is a matrix of the loadings of each variable on each component. Any variable that loads less than 0.4 on any component is discarded as insignificant as far as that component is concerned. The logic behind suppressing loadings less than 0.4 follows the assertion by Stevens (2002) that any variable loading value from 0.4 and larger is appropriated for interpretative purpose i.e., loadings of 0.4 or greater represent substantive values. However, this means that, the several suppressed loadings are undoubtedly significant.

Table 4.23 Component Transformation Matrix

Component	1	2	3	4	5	6
1	.744	.489	.443	-.059	.083	.019
2	.337	-.182	-.514	-.705	.253	.169
3	.511	-.619	-.133	.531	.185	-.149
4	-.129	.482	-.397	.352	.685	.013
5	-.225	-.335	.596	-.171	.622	.256
6	.068	.009	-.094	.253	-.197	.940

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Source: Output from SPSS analyses

The component transformation matrix in Table 4.23 describes the specific rotation applied to the component solution which computes the rotated factor matrix from the original (unrotated) component matrix. However, smaller off-diagonal element -.225 correspond to smaller rotation while larger off-diagonal element -705 correspond to larger rotation.

Table 4.24 Rotated Component Matrix

	Component					
	1	2	3	4	5	6
Banking	.852					
Light tools	.809					
Backstop	.684	.455				
Labour	.672					
Transport	.530				.504	
Disaster		-.817				
Animal		-.738				
Construction		.643	.519			
Energy			-.769			
Fertilizer			.605	.494		
Other	-.445		-.587			
Marketing				-.808		
Herbicides				.734		
Insurance					.853	
Investment pattern						.911

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Rotation converged in 9 iterations.
Source: Output from SPSS analyses

The rotated component matrix helps to determine what the components represent. Table 4.24 shows the loadings of the fifteen variables on the six components extracted. The higher the absolute value of the loading, the more the component

contributes to the variable. The gaps in Table 4.24 represent loadings that are less than 0.4.

Therefore, from the highly loaded component, the area of focus in this research is revealed which has to do with the activities that contribute significantly to the living standard of BOA micro credit beneficiaries. These activities are categorized into 6 different groups which are as follows: first component is most highly correlated with '**services inputs'** including banking facilities, backstop services, labour force, transportation facilities and construction inputs. The second, third and fourth component most highly correlated with the **'physically tangible inputs'** including light tools, fertilizer and herbicides. The fifth component correlated with **'risk management'** that is insurance. Finally, sixth component is most correlated with the **'investment pattern'** considering the means of both agricultural and non-agricultural as a whole. These suggest that we can focus on these most highly correlated variables in the application of BOA micro credit scheme as a special instrument for protecting, uplifting and reducing poverty of the target less privileged groups in Borno State and Nigeria in general.

From this analysis a conclusive statement can be drawn that the study objectives 3 which evaluates of the relationship between micro credit input and changes in the living standard of the beneficiaries is successfully achieved. Here due to the components relating highly with the computed p- values above the significance level of p- 0.5, the null-hypothesis is rejected and the alternative hypothesis that there is a statistically significant relationship between BOA micro credit input and the changes in the living standard of the micro credit beneficiaries is accepted.

4.10.3 Hypothesis Test Three

For the achievement of the study objective five which was to determine the impact of BOA micro credit on human capacity building among the less privileged group borrowers, Chi-Square (X^2) Test was applied to test the null hypothesis. The hypothesis states that there is no statistical significant difference in the key human capacity indicators of BOA's micro credit beneficiaries before and during the use of the micro credit facilities. Table 4.25 shows the calculated X^2 values of the mean differences, the degree of freedom (Df) and the computed *p*-values. The statistical level of significance was set at p- 0.05. From Table 4.25 it can be seen that all the coefficients have p- values less than 0.05. Saving capacity and project initiation effects differences of the borrowers have p- values of 0.000 each. Likewise, BOA training and advisory services effects have p- values of 0.004. Only two variables backstopping services and financial transaction which have p- values of 0.047 and 0.033 respectively which are likely less significant. Since all the coefficients of the difference are less than the significance level of p- 0.05, our null hypothesis will be rejected and the alternative hypothesis accepted that there is a significant difference between the human capacity of the beneficiaries before and during the utilization of the BOA facilities. From this statistical test a conclusive statement can be made that the human capacity building interventions of the BOA micro credit scheme have impacted positively on the less privileged groups beneficiaries.

Table 4.25, Summary of X^2 Test Results of BOA Micro Credit Impact on Human Capacity Building

	Variables	X^2-value	Df	p-value
1	BOA training and advisory	15.372a	4	.004
2	Borrowers project initiation	45.412a	9	.000
3	Backstopping services	9.642a	4	.047
4	Savings capacity	1.097E2a	6	.000
5	Financial transaction frequencies	13.746a	6	.033

Source Extracted from Appendix VII

Finally, from the findings outcome, the three hypotheses tested have all rejected the null-hypotheses in favour of the alternative hypotheses. This confirms that the activities of the micro credit scheme of the BOA have empowered the less privileged group beneficiaries to improve their living standards and begin to move out of poverty.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF FINDINGS

The study was set to assess the effects of the micro credit scheme of the BOA on the less privileged target groups in Borno state and with a view to identify the areas 0f shortcoming and challenges. The key findings of the study are summarised as follows:

Regarding the conformity of the actual micro credit beneficiary to the stated less privileged target groups of the BOA, the characteristics of the beneficiaries have largely conformed to the identified impediment determining the less privilege. Social impediments such as mere being poor, victims of violence, victims of disaster and unemployment constituted the greatest impediments of the beneficiaries. The socially impeded formed about 87 per cent of the beneficiaries. Those who suffer from physical impediments such as deformity, amputation and deaf constituted only about 13 percent of the beneficiaries. However, a handful, but very important segment of the less privileged has been neglected by micro credit scheme of the BOA. This neglected segment comprised of the destitute streets baggers and the ultra-poor suffering from debilitating illness such as leprosy.

Examining the procedure adopted by BOA management in administering the micro loans to the less privileged groups, it was found that personal contact with friends, relations and neighbours disseminated the greatest information amongst the aspirants. Farmers formed the largest beneficiaries followed by lower salary workers and then

artisans. Traders, labourers (before benefiting) and “others” such as the retired people are quite few.

Beneficiaries’ assessment of the BOA’s administration of micro credit revealed that late disbursement of the funds and long distances of the BOA branches from the target groups constituted the most serious problems. Other problems identified but negligible were long procedure in processing the application, dishonesty on the side of the bank officials and bank’s high interest charges. There is the need to call the management to proffer solutions to these problems.

BOA management has on other hand identified some problems it encountered in dealing with the less privileged groups. The very poor keep themselves away from the bank loan business, perhaps due to their inability to meet the bank requirements or the better-off cooperative society members refused them. Fear of business failure might have prevented some. Other problems include non-investments on productive project and making wrong use of the loan given. The issues of the cooperative society guarantees a member without collateral has posed some problems where a member really failed to repay the loan.

In evaluating the borrowing and investment patterns of the BOA micro loans it was found that the actual amounts of micro credit given to individuals ranged between a minimum of 26,000.00 to maximum of 200,000.00 naira. None of the BOA branches gave up to the maximum of =N= 250,000.00 naira schedule to be given by the bank. Print out documents from BOA management record show all the members of a cooperative group collected uniform amounts. There were variations in the micro loans amounts given to different cooperative groups. The variations in the loan

amount given to different cooperative groups' were determined by the initial deposit and project strength of the group. The greatest investment of micro credit was on physical projects followed by human resource development such as education young ones, skills and management training, health and marriage for young ones. Agricultural projects consumed 73% while non-agriculture projects took about 21% of the micro loan investment sector. A statistical test of the relationship between micro credit investments inputs and the influence on the variables of living standard shows positive relationship and statistically significant.

The impact of BOA micro credit on the living standard of the beneficiaries was examined by comparing before and during their use of the micro loans.. Generally, there are positive differences in living standard before and during use of the micro loans. Notwithstanding, there were few variable that recorded the difference negatively; instances are decision power, participation in politics and leadership promotion. Nevertheless, the coefficient of the mean differences of the hypothesis test has confirmed that there is positive and statistically significant difference. This implies that the micro credit scheme of BOA has impacted the desired changes on its less privileged target groups.

BOA human capacity building strategies were training and advisory services, promotion of new projects initiation, offer few backstop services and enforces bank account openings and financial transaction. Many other capacity building actions ascribed for application by credit granting institutions such as marketing assistance, extension services and infrastructural facilities were not applied by BOA. Nonetheless, the micro credit scheme of the BOA has considerably built the

beneficiaries human capacity through equipping them with investments techniques, management skills and a hundred per cent banking culture. The hypothesis tested indicates that BOA has made a statistically significant impact on human capacity building of the beneficiaries.

A few adverse effects associated with BOA micro credit were also discovered in the study. The adverse effects include a high level of arrogance among the beneficiaries and over reliance on micro loans as the only investment capital by the beneficiaries. Selling of assets to repay the loan by some borrowers whose businesses fail is termed as assets confiscation by some commentators. Sometimes conflicts emerge in borrowing families over the issues where different person (wife or husband) collects the loan but different person (either the wife or the husband) spends the money leaving the borrower with repayment burden.

5.2 CONCLUSION

The findings of the study reveal that the micro credit scheme of the Bank of Agriculture has impacted the desired changes on the less privileged target groups. This was evident in how the bank's micro credit has empowered the beneficiaries to invest more in agricultural and non-agricultural businesses than before they accessed the micro credit. The positive impact is also evident in the greater improvement recorded in living standard of the beneficiaries than before utilising the micro credit. Another positive impact of the Bank of Agriculture on the less privileged target groups was human capacity building, evident in their enhanced investment technique, managerial skills, banking and financial transactions.

Contributions to knowledge which the research has made are stated as follows: It is known that personal contact is a key factor in the communication and diffusion of micro credit innovations among the less privileged groups. The beneficiaries have indicated that they were influenced through friends, relatives and neighbours than through other channels.

The study also revealed that mostly the able-bodied poor bound with social impediments ended up benefiting more from the programme. The lepers, most destitute and serious physically handicapped such as crippled, amputated and deaf were mostly left out in the scheme. This finding underscores the need for a re-segmentation of the "less privileged groups" with a view of designing appropriate safety net schemes for each segment. This view conforms to the United Nations publication (1997) assertion that if one of the aims of rural development is to assist the 'poorest of the poor', then micro credit has proven not always the most appropriate intervention. It also conforms to Kabeer (2002) argument that the very poor would be more likely to benefit from the wage employment through public works programmes than from the provision of micro credit. These observations are suggesting that the whole issue of the BOA micro credit scheme need to be subjected to both conceptual and policy refinement.

It was also discovered that BOA engaged in the practice of giving uniform amount of the credits to a group which has locked some beneficiaries in a very low investment levels. It would be better if the bank can devise ways of treating each member uniquely. Uncontrollably, obligations such as emergency disasters, burials, sickness, settling old debts and school fees have to be first met before the less privileged

beneficiaries could use the remaining micro loan amount to invest on productive projects. In line with this view Hulme and Mosly (1996) sees that most of the micro credit institutions do not give additional assistance during crises periods and the 'poorest always the riskiest clients.

The application of the micro credit scheme of the BOA as an instrument for rural development has posed some few implications. The implications are that the urban people demand micro credit less perhaps because of the priority given to agriculture on which the urban populace engages less. Evidence of this has been exhibited by the Maiduguri BOA branch. Equally the remote rural people have accessed micro credit less perhaps due to far distances of the bank branches from the aspirants as exhibited by Chibok Local Government Area participants. Notwithstanding, although BOA seem to reached only a small segment of its avowed less privileged groups in the study area, it would be fair to conclude that the bank has gone a long way in empowering those it has reached to begin to pull themselves out of poverty and becoming productive in the society.

5.3 RECOMMENDATIONS

Since this investigation has not gone into determining the population of the less privileged groups who are relevant target of the micro credit scheme of the BOA, it is recommended for another study to assess the population of the existing less privileged groups in the study area. The study should categorised the less privileged possibly into three groups- as less impeded group who have income but small; serious impeded group who have no income but can manage a project if offered and worst

impeded who can only manage under special package. This knowledge could facilitate proper targeting of the less privileged segments with different packages.

Another objective of the micro credit scheme of the BOA stated in the Brochure and Customer Guide is "Provision of opportunities for self-employment in the rural areas, thereby reducing rural to urban migration". It is recommended that another study should be conducted to determine the extent to which the self-employment generated by the BOA micro credit scheme has reduced rural urban migration in the area.

The BOA customer guide stated another objective of the micro credit scheme as "Encouraging the formation of Co-operative societies at all levels". It is recommended that another assessment should be done to determine the extent to which this objective has been achieved over the years from the bank's last reformation in 2000 to date.

The five BOA branch locations were biased towards central and southern Borno. Two of the branches are in Central and three in Southern Borno with none in the Northern part. This has made the distances too far for the less privileged northerners to access the micro credit. It is recommended for the Government that more branches of BOA should be opened, especially in the northern part of the State to reach more of the less privileged groups in the remote areas of the North.

The Factor Analysis Principal Component Extraction with Varimax Rotation has proved that services input of the BOA micro credit have contributed largely to improvement in living standard of the less privileged group beneficiaries. It is

recommended for the BOA management to include more backstopping services such as marketing assistance, relevant education and extension services.

The BOA's current minimum micro loan amount of twenty-six thousand naira given to the borrowers has become too meagre because of inflation over the years. It is recommended that the bank management should raise the amount to a minimum amount of not less than fifty thousand naira and maximum amount raised to five hundred thousand naira; and to be reviewed from time to time to keep up with the ever-increasing inflation. The requirement of a minimum initial deposit as start-up capital to qualify a person to access BOA micro credit has excluded many of the seriously impeded less privileged from participating in the scheme. This policy precondition should be removed. The severe impeded aspirant finds it difficult to feed talk less of saving certain amount for the minimum start up deposit for loan.

The management of the micro credit scheme of the BOA has nearly neglected its commitment to target the destitute perhaps on the fear that sustainability cannot be attained if the micro loans were given to the extreme destitute such as the physically challenged and street beggars. The management should be cautious that it should not run for attaining sustainability at the cost of ignoring important segments of the vulnerable groups targeted with the micro loans.

There is the need to still reform BOA management to include safety net packages to reach more of the least privileged group who cannot meet the requirement to participate in the current BOA micro credit schedule. The safety-net package could be in form of interest free loans to be given at the initial stage to the ultra-poor.

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APPENDICES

Appendix I: Poverty Eradication Programmes Launched in Nigeria 1960 to 2010

Leader: (Regime)	Period	Programmes Launched
Dr. Nnamdi Azikiwe (Civil)	1960 -1966	
Not Available		
Johnson Aguiyi Ironsi (Military)	1966	
Not Available		
Col. Yakubu Gowon (Military)	66 – 1975	
National Accelerated Food Production Programme (NAFPP)	1972	
National Accelerated Industrial Crop Production	1972	
Nigerian Agricultural Bank	1973	
River Basin Development Authorities (RBDAs)	1974	
Agricultural Development Programme (ADP)	1975	
Gen. Murtala Mohammed (Military)	1975 – 1976	
Federal Department of Rural Development (FDRD)	1976	
Gen. Olusegun Obasanjo (Military)	1976 –1979	
National Emergency Relief Agency (NERA)	1976	
Operation Feed the Nation (OFN)	1976	
Rural Banking Scheme (RBS)	1977	
Agricultural Credit Guarantee Scheme (ACGS)	1977	
Nigerian Agricultural and Cooperative Bank (NACB)	1978	
Agricultural Projects Monitoring and Evaluation Unit (APMEU)	1979	
Alh. Shehu Shagari (Civil)	1979 – 1983	
GreenRevolution	1979	
Maj. Gen. Mohamadu Buhari (Military)	1983-1985	
War Against Indiscipline (WAI)	1983	
Back to Land	1984	
Austerity Measures	1985	
Maj. Gen. Ibrahin Babagida (Military)	1985 – 1993	
Structural Adjustment Programme (SAP)		
Second Tier Foreign Exchange Market (SFEM)	1986	
Mass Mobilisation for Social Justice and Self Reliance (MAMSER)	1986	
Directorate of Foods, Roads and Rural Infrastructures (DFRRI)	1986	
National Directorate of Employment (NDE)	1987	
Better Life for Rural Women Programme (BLP)	1987	
Peoples Bank of Nigeria (PBN)	1987	
Nigerian Agricultural Insurance Corporation (NAIC)	1988	

Nigerian Agricultural Land Development Authority (NALDA)	
National Commission for Nomadic Education (NCNE)	1989
Federal and State Ministry of Women Affair	1989
Community Bank	1990
National Com for Mass Literacy, Adult and Non-Formal Education	1990
Rural Development Administration/Farmers Home Administration	1991
Nigerian Export-Import Bank (NEIB)	1991
National Primary Health Care Development Agency (NPHCDA)	1992
Technology Support Programme (NATSP)	1993
Nigerian Bank for Commerce and Industry (NBCI)	1993
National Centre for Women Development (CWD)	1993
Ernest Shonekan (Interim)	1993
Gen. Sani Abacha (Military)	1993 – 1998
Petroleum Trust Fund	1994
Rural Economic Community Development Service	1994
Family Support Trust Fund (FSTF)	1995
Family support Programme (FSP)	1995
Family Economic Advancement Programme (FEAP)	1997
National Agricultural Land Development Authority (NALDA)	1997
Federal Agricultural Coordinating Unit (FACU)	1997
Gen. Abdulsalam Abubakar (Military)	1998 – 1999
Integrated Women and Youth Empowerment Centre (IWYEC)	1999
Federal Ministry of Water Resources and Rural Development	1999
Rtd. Olusegun Obasanjo (Civil)	1999– 2007
Agriculture and Rural Transformation Programme	2000
Nigerian Agricultural, Cooperative and Rural Development Bank (NACRDB)	2000
Agency for Community-Based Poverty Reduction Project (ACBPRP)	2000
Small, Medium Enterprises Equity Investment Scheme (SMEEIS)	2001
National Poverty Eradication Programme (NAPEP)	2001
Women and Youth Employment Scheme (WYES)	
Natural Resources Development and Conservation (NRDC)	
National Special Programme on Food Security (NSPFS)	2001
Nigerian Economic Empowerment and Development Strategy (NEEDS)	2004
Social Welfare Services Scheme (SOWESS)	2004
Rural Infrastructural Development Scheme (RIDS)	2004
Youth Empowerment Scheme (YES)	2004
National Economic Reconstruction Fund (NERFUND)	2007
Alh. Umaru Yar-Adua (Civil)	2007– 2010
7-Point Agenda alias Issues of Power and Energy, Food Security and Agriculture, Wealth Creation and Employment, Mass Transportation, Land Reform	
Security plus Qualitative and Functional Education "The concept is the essential needs of the Nigerian's poor to which overriding priority should be given" he said	

Dr, Goodluck Jonathan (Civil)	2010 to 2014
The reformed Bank of Agriculture (BOA)	2010
Sure-P	2011

Appendix II: **BOA Branches Reconnaissance Survey March 2012**

Concerns only 'Micro credit that for which the bank's amount scheduled for individual not exceeding =N= 250,000.00

(*All the information provided shall be treated academically confidential)*

INFORMATION REQUIRED FROM THE BOA MANAGEMENT

BOA …….BRANCH

S/No	Type of coopera-tive society Project	Number of persons in the group	LGA of the cooperative Society	Nature of project investments (agricultural or non-agricultural)	Loan amount borrowed by the group (=N=)	Years of the group operation with the BOA	Problems of BOA management in dealing with less privileged groups
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

Appendix III: Interview Schedule for the BOA Management

What are the BOA's methods of mobilizing the micro loan clients?
Community Micro committee □ Over media □ Organising rally □ Other ways (specify) □

Please outline the BOA micro credit-
(i) Less Privileged groups' application for micro loan procedure
……
……

(ii) Management's approval of micro loan procedure
……
……
(iii) What are criticisms of the micro credit application and approval procedures?
……
……

What per cent of the micro loan borrowers are on short term loans?
None □ 1 to 25% □ 26 to 50% □ 51 to 75% □ 76 to 100% □

What per cent of the micro loan borrowers are on medium term loans?
None □ 1 to 25% □ 26 to 50% □ 51 to 75% □ 76 to 100% □

What per cent of the micro loan borrowers are on long term loans?
None □ 1 to 25% □ 26 to 50% □ 51 to 75% □ 76 to 100% □

What were the loan support services given to the micro loan borrowers? (Tick as many as true) None at all □ Advices □ Trainings □ Insurance □ Money transfer □ Others □

How does the management provide the loan support servicers and why?
……
……

How does the management check that the borrowers do not use the micro loans for other uses apart from the purpose for which it has been approve for?
……
…….

What are the differences and similarities between the BOA micro credit administration and some of the predecessor micro credit based institutions?
……
……

What per cent of the micro loans given for agricultural enterprises?
None □ 1 to 25% □ 26 to 50% □ 51 to 75% □ 76 to 100% □

What per cent of the micro loans given for non-agricultural enterprises?
None □ 1 to 25% □ 26 to 50% □ 51 to 75% □ 76 to 100% □

How many cooperative societies registered and qualified for your micro loans?
1 to 4 □ 5 to 8 □ 9 to 12 □ 13 to 16 □ 17 to 20 □ 21 to 24 □ 25 to 28 □ 29 above □

Please, it would be appreciated if the bank management can provide the print out of the micro credit disbursements pattern and trend from 2001 to 2014, the photocopy accompanied

Identify the problems in dealing with micro loan borrowers:
Difficulties to reach the poor □ The very poor keep themselves away from micro loans □ Most of them do not invest the money □ Use the money for life coping purposes □

How does BOA management rate borrowers' micro loan repayments?
Highly good □ Moderate □ Poor □ Highly poor □

What actions do the BOA management takes against loan defaulting?
Gives further loan for improvement □ Force group members to pay □ Forbid from further borrowing □ take legal actions □ Other actions "specify"□……

Appendix IV: Questionnaire for the Sampled 'BOA' Micro Loan Borrowers

A. Socio-economic Profiles of the Beneficiaries of BOA Micro Credit

(Tick in the appropriate box)

Indicate your personal and socio-economic statuses in the boxes as appropriate-

Age (years): 18 to 30□ 31 to 40□ 41 to 50□ 51 to 60□ 61 to 70 and above□

Sex: Male □ Female □

Marital status: Married□ Divorced□ Widow□ Widower□ Single□

Family size: 1□ 2 to 5□ 6 to 9 □ 10 to 13□ 14 to17 and above □

Literacy level: Illiterate□ Arabic □ Adult □ Primary□ Secondary□ Tertiary□

Ownership of a farm land: None□ Hired□ Personal□

Ownership of business premises: None□ Rented□ Personal□

Farm Size (Hectares): Less to 1□ 2 to 4□ 5 to 7□ 8to 10□ 11 to 13 and above □

Farming experiences (Years): 1 to 5□ 6 to 10□ 11 to 15□ 16 to 20 and above□

Enterprises experiences: (Years): 1 to 5□ 6 to 10□ 11 to 15□ 16 to 20 and above□

Occupation: farming□ Technician□ trader□ Labourer□ govt. work□ Others□ specify……..

Distance from the BOA branch location in kilometers (km)?

1 to 10□ 11 to 20□ 21 to 30□ 31 to 40□ 41 to 50□ 51 to 60 and over□

B. Indicate the Physical and Social Problem(s) You Have as Constraints to Your Survival?

(Tick as many as are true to your life)

Leg/hand deformity□ Blind/poor vision□ Deaf/Poor hearing□ Old age□

Victim of natural disaster □ Mental disorder □ Unemployment □ Sickler □

Victim of religious/ethnic violence □ Outcaste/Social segregation □ Orphan □

Under employment □ Victim of HIV/AIDS□ No Impediments at all □

Others □ specify ……..

C. BOA Micro Credit Borrowing Pattern

How did you get involved in borrowing micro credit of the BOA?

BOA committee mobilized you□ Friends influenced you□ Heard over media□ Other ways □ Specify……..

Which year did you start borrowing the BOA micro loans?

Before 2002□ 2003-2004□ 2005-2006□ 2007-2008□ 2009-2010□

What did you do with the BOA micro loans you borrowed?
Invested on projects □ Invested on coping obligations □ Spent on social life desires □ Used on all the purposes □

D. The Trend of Micro Credit Borrowing from 2001 to 2014

The BOA has given you its micro loans seven times from 2001/2002 to 2013/2014 on two years loan term each. On the average of your seven times micro loan, please, tick in the appropriate boxes of the relevant categories from your micro credit management experience. All the figure are in thousand Naira values (=N= 000).

How much was the total micro loan amount given to you 2001/2002
1 to 25□ 26 to 50□ 51 to 75□ 76 to100□ 101 to 125□ 126 to 150□
151 to 175□ 176 to 200□ 201 to 225□ 226 to 250□

How much was the total micro loan amount given to you 2003/2004
1 to 25□ 26 to 50□ 51 to 75□ 76 to100□ 101 to 125□ 126 to 150□
151 to 175□ 176 to 200□ 201 to 225□ 226 to 250□

How much was the total micro loan amount given to you 2005/2006
1 to 25□ 26 to 50□ 51 to 75□ 76 to100□ 101 to 125□ 126 to 150□
151 to 175□ 176 to 200□ 201 to 225□ 226 to 250□

How much was the total micro loan amount given to you 2007/2008
1 to 25□ 26 to 50□ 51 to 75□ 76 to100□ 101 to 125□ 126 to 150□
151 to 175□ 176 to 200□ 201 to 225□ 226 to 250□

How much was the total micro loan amount given to you 2009/2010
1 to 25□ 26 to 50□ 51 to 75□ 76 to100□ 101 to 125□ 126 to 150□
151 to 175□ 176 to 200□ 201 to 225□ 226 to 250□

How much was the total micro loan amount given to you 2011/2012
1 to 25□ 26 to 50□ 51 to 75□ 76 to100□ 101 to 125□ 126 to 150□
151 to 175□ 176 to 200□ 201 to 225□ 226 to 250□

How much was the total micro loan amount given to you 2013/2014
1 to 25□ 26 to 50□ 51 to 75□ 76 to100□ 101 to 125□ 126 to 150□
151 to 175□ 176 to 200□ 201 to 225□ 226 to 250□

On average, then how much micro credit amount have you collected for the two years loan term each, from 2001/2002 to 2013/2014? (=N= 000)?

1–25□, 26–50□, 51–75□, 76–100□, 101–125□, 126–150□, 151–175□, 176–200□, 201–225□, 226+□

What are other additional services (loan-backstop) provided to you by the BOA?(Tick as many as appropriate)

Skills training□ Extension services□ Oral advice □Banking facilities □ Micro savings □Marketing assistance□ Micro money transfer□ Micro Insurance□ Infrastructural facilities □ Access to other credit □Others specify □

List the short-comings of BOA management to micro loan borrowers.
Long procedure □ Far distance from the bank □ Late disbursement of the fund □ Insufficient publicity □ Dishonesty of staff □ High interest rate charges □ Others not specified □ ……

E. Investments Pattern and Trend of the Micro Credit

Micro Credit Investment Inputs in (=N= 000)

1. On average, how much of the bank loan was spent to acquire land? 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

2. On average, how much of the bank loan was spent on labour ?0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

3. On average, how much of the bank loan was spent on animal power? 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

4. On average, how much of the bank loan was spent on light tools ?0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

5. On average, how much of the bank loan was spent on fertilizer? 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

6. On average, how much of the bank loan was spent on herbicides and insecticides? 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

7. On average, how much of the bank loan was spent to acquire improved seeds? 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

8. On average, how much of the bank loan was spent on transportation in the production process? 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

9. After making better production with micro loans, on average, how much did you spend on storage facilities?0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

10. On average, how much of the bank loan was spent on loan supporting facilities such as skills training, infrastructure, extension services and others? 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

11. On average, how much of the bank loan was spent on bank charges, such as on bank interests and on transportation to and from the bank? 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

12. Since insurance is compulsory for micro credit borrowers, on average, how much of the bank loan was deducted on insure policy to cover your business?
0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

13. On average, how much of the bank loan was spent on rented items? 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

14. On average, how much of the bank loan was spent on the process of packaging, transporting and selling your product? 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

15. On average, how much of the bank loan was wasted due to damages, theft and mismanagements?0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

16. On average, how much of the bank loan was spent on purchasing phones and GSM calls? 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

17. On yearly average, how much of the bank loan was spent on production energy? 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

18. On average, how much of the bank loan was spent on other items, specify if any……? 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

Micro credit investments trend: How much were your investments of the micro loans on the projects listed below by the years (=N=000.00)?

(i) 2001/2002: Arable cultivation…… Fadama irrigation ……. Cassava production ……., Animals fattening ……., Poultry ……,. Fishery ……., Crops Storage ……., Technical/cottage ……., Services ……., Petty Trading…….,

(ii) 2003/2004: Arable cultivation…… Fadama irrigation ……. Cassava production ……., Animals fattening ……., Poultry ……,. Fishery ……., Crops Storage ……., Technical/cottage ……., Services ……., Petty Trading…….,

(iii) 2005/2006: Arable cultivation…… Fadama irrigation ……. Cassava production ……., Animals fattening ……., Poultry ……,. Fishery ……., Crops Storage ……., Technical/cottage ……., Services ……., Petty Trading…….,

(iv) 2007/2008: Arable cultivation…… Fadama irrigation ……. Cassava production ……., Animals fattening ……., Poultry ……,. Fishery ……., Crops Storage ……., Technical/cottage ……., Services ……., Petty Trading…….,

(v) 2009/2010: Arable cultivation…… Fadama irrigation ……. Cassava production ……., Animals fattening ……., Poultry ……,. Fishery ……., Crops Storage ……., Technical/cottage ……., Services ……., Petty Trading…….,

(vi) 2011/2012: Arable cultivation…… Fadama irrigation ……. Cassava production ……., Animals fattening ……., Poultry ……,. Fishery ……., Crops Storage ……., Technical/cottage ……., Services ……., Petty Trading…….,

(vii) 2013/2014: Arable cultivation…… Fadama irrigation ……. Cassava production ……., Animals fattening ……., Poultry ……,. Fishery ……., Crops Storage ……., Technical/cottage ……., Services ……., Petty Trading…….,

On which sector of investment did you utilise the BOA micro funds?

Invested on projects □ Human resource□ Life obligations□ All purposes □

F. Impact of Micro Credit on Income and Living Standard of the Borrowers

Some of the items having different values are arranged according to prices hierarchy to match the hierarchy of the proxy values.

Please, tick in the appropriate boxes that nearly expresse your perception of micro credit impact.

1. Self-employment: Indicate by 'ticking' one of the boxes in front of the statement which appear true of your self-employment.

(a) before getting the micro loan you have: established agricultural work □, established cottage production □, established tailoring work □, established mechanical works □, established trading □, established transport business □, established communication businesses □, established catering businesses □, changes from underemployment to any other full employments □, others if any specify □……,there was none of the options □,

(b) During access to the micro loans: established agricultural work □, established cottage production □, established tailoring work □, established mechanical works □, established trading □, established transport business □, established communication businesses □, established catering businesses □, changes from underemployment to any other full employments □, others if any specify □……,there was none of the options □,

2. Enterprises productivity: On yearly average, how much money do you make from the business you are engaged (=N= 000)?

(a) before getting the micro loan: 0□, 1–25□, 26–50□, 51–75□, 76–100□, 101–125□, 126–150□, 151–175□, 176–200□, 201–225□, 226+□

(b) During using the micro loans: 0□, 1–25□, 26–50□, 51–75□, 76–100□, 101–125□, 126–150□, 151–175□, 176–200□, 201–225□, 226+□

3. Agricultural productivity: On average, how much money do you make from your farming (=N= 000)?

(a) before getting the micro loan: 0□, 1–25□, 26–50□, 51–75□, 76–100□, 101–125□, 126–150□, 151–175□, 176–200□, 201–225□, 226+□

(b) During using the micro loans: 0□, 1–25□, 26–50□, 51–75□, 76–100□, 101–125□, 126–150□, 151–175□, 176–200□, 201–225□, 226+□

4. Re-investments capacity: On yearly average, what proportion of your annual profit do you put back into your business (=N= 000)?

(a) before getting the micro loan: 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

(b) During using the micro loans: 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

5. Clothing expenses: On yearly average, how much did you spend on clothing of the family (=N= 000)?

(a) before getting the micro loan: 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

(b) during using the micro loans: 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

6. Housing materials: Tick which appropriately describes your housing conditions.

(a) Before getting the micro loan: Not owning a house □,Mud wall, thatched roof □, Mud wall, thatched roof, cement floor □, Mud wall, thatch roof, cement plastered □, Mud wall, zinc roof, cement floor □, Mud wall, zinc roof, cement floor, wall plastered □, Mud wall, zinc roof, plastered, ceilinged □ Concrete wall, zinc roof □, Concrete wall, zinc roof, ceilinged □, Concrete wall, zinc roof, ceilinged, carpeted floor □,

(b) During using the micro loans: Not owning a house □,Mud wall, thatched roof □, Mud wall, thatched roof, cement floor □, Mud wall, thatch roof, cement plastered □, Mud wall, zinc roof, cement floor □, Mud wall, zinc roof, cement floor, wall plastered □, Mud wall, zinc roof, plastered, ceilinged □ Concrete wall, zinc roof □, Concrete wall, zinc roof, ceilinged □, Concrete wall, zinc roof, ceilinged, carpeted floor □,

7. Food Security: How do you rate the percentage (%) of food people have adequate to eat in the family?

(a) Before getting the micro loan: 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

(b) During using the micro loans: 0□, 1–10□, 11–20□, 21–30□, 31–40□, 41–50□, 51–60□, 61–70□, 71–80□, 81–90□, 91+□

Note: From 8 to 19 require multiple responses of ticks in the group of options. You can tick one or more or all the options of items in the list.

8. Improved Diet: Tick which of the eleven essential food items were often meals in the family?

(a) Before getting the micro loan: None □, Vegetables □, Cooking oil □, Sugar □. Fish □, Meat □, Egg □, milk □, Margarine □, Salad □, Crayfish □.

(b) During using the micro loans: None □, Vegetables □, Cooking oil □, Sugar □. Fish □, Meat □, Egg □, Milk □, Margarine □, Salad □, Crayfish □.

9. Household equipment: Tick which of the eleven common household items you have in the household.

(a) Before getting the micro loan: None □, Radio □, Pressing Iron □, Cooking Stove □, Food coolers/flasks □, Floor carpets □, Foam mattresses □, Modern boxes/bogs □, Television □, Sets of Cushion Chairs □, Refrigerator □.

(b) During using the micro loans: None □, Radio □, Pressing Iron □, Cooking Stove □, Food coolers/flasks □, Floor carpets □, Foam mattresses □, Modern boxes/bogs □, Television □, Sets of Cushion Chairs □, Refrigerator □.

10. Children's Schooling Materials: Tick which of the eleven common children's school items you provided:

(a) Before getting the micro loan: None □, Biro/pencil/exercise books □, Text books □, Pocket Money □, Transport means □, Meals at school □, School shoes □, Uniforms □, School fees □,

(b) During using the micro loans: None □, Biro/pencil/exercise books □, Text books □, Pocket Money □, Transport means □, Meals at school □, School shoes □, Uniforms □, School fees □,

11. Health facilities which members of your household normally patronise.

(a) Before getting the micro loan: None at all □, local private medicine store □, Local govt. dispensary □, government comprehensive health centre□, Government general hospital □, Residence doctor private hospital □, federal medical centre□, Teaching hospital □, High sophisticated private hospital □, hospitals abroad □, other health special category □. specify

(b) During using the micro loans: None at all □, local private medicine store □, Local govt dispensary □, government comprehensive health centre□, Government general hospital □, Residence doctor private hospital □, federal medical centre□, Teaching hospital □, High sophisticated private hospital □, hospitals abroad □, other health special category □. Specify

12. Assets Acquisition: Tick which of the eleven common asset items you have in the household:

(a) Before getting the micro loan: None □, sheep/goats □. bicycle □, cottage/sawing/grinding machinery □, power generator □, cattle □, motor cycle /tricycle □, House □, house plot □, farm plot □, motor □,

(b) During using the micro loans: None □, sheep/goats □. bicycle □, cottage/sawing/grinding machine □, power generator □, cattle □, motor cycle /tricycle □, House □, house plot □, farm plot □, motor □,

13. Copping with Obligations: Tick which of the eleven common obligatory items which can be favourably solved in the household:

(a) Before getting the micro loan: None □, Care for aged family members □, helping relatives □, religious commitments □, self-help contributions □, NEPA bills □, Water bills □, Tax pays □, house rehabilitations □, vehicle particulars renewal □, Marriages/funerals □,

(b) Dring using the micro loans: None □, Care for aged family members □, helping relatives □, religious commitments □, self-help contributions □, NEPA bills □, Water bills □, Tax pays □, house rehabilitations □, vehicle particulars renewal □, Marriages/funerals □,

14. Decision Making Power: Tick which of the eleven issues do you decide for the household?

(a) Before getting the micro loan: None □, Name to call a child □, school to send a child to □, crop type to plant for the season □, Dress type to buy for the family members □, place of worship choosing □, type of diet to provide for the family □, transport mode for the family use □, period to sell produce of the family □, how to organise family funerals □, who approves children's marriages □,

(b) During using the micro loans: None □, Name to call a child □, school to send a child to □, crop type to plant for the season □, type of dress to buy for the family members □, place for the worship □, type of diet to provide for the family □, transport mode for the family use □, period to sell produce of the family □, how to organise family funerals □, who approves children's marriages □,

15. Participation in Politics: Tick which of the eleven forms of participation in politics you do:-

(a) Before getting the micro loan: None □, Mere voter □, political party member □, party official at ward level □, party official at LGA level □, party official at state level □, Political party agent □, Polling orderly □, Electoral official □,

(b) During using the micro loans: None □, Mere voter □, political party member □, party official at ward level □, party official at LGA level □, party official at state level □, Political party agent □, Polling orderly □, Electoral official □,

16. Leadership promotion: Tick which type of leadership position level you held in the community?

(a) Before getting the micro loan: None □, Family level □, ward level □, village level □, district level □, club official □, religious organization □, political ward level □, political LGA level □, political state level □, political federal level □.

(b) During using the micro loans: None □, Family level □, ward level □, village level □, district level □, club official □, religious organization □, political ward level □, political LGA level □, political state level □, political federal level □.

17. Financial transaction Frequency: How often do you make deposits, withdrawals and transfer money?

(a) Before getting the micro loan: None □, Half yearly □. Quarter yearly □, Bimonthly □, Monthly □, Biweekly □, Weekly □, twice a week □, No response □

(b) During using the micro loans: None □, Half yearly □. Quarter yearly □, Bimonthly □, Monthly □, Biweekly □, Weekly □, twice a week □, No response □

18. Mode of carriage: Tick among the types of transportation modes accessible to your household.

(a) Before getting the micro loan: None □, Human □, animal □, push-push □, bicycle □, motor cycle □, tricycle □, bus/pick-up □, lorry/truck □, train □, others □ specify……..

(b) During using the micro loans: None □, Human □, animal □, push-push □, bicycle □, motor cycle □, tricycle □, bus/pick-up □, lorry/truck □, train □, others □ specify……..

19. Phone calls: On average yearly how much do you spend on phone (=N= 000)?

(a) Before the micro loan: 0 □, 1 □, 2 □, 3 □, 4 □, 5 □, 6 □, 7 □, 8 □, 9 □, 10+ □.

(b) During the micro loans: 0 □, 1 □, 2 □, 3 □, 4 □, 5 □, 6 □, 7 □, 8 □, 9 □, 10+ □.

H. Human Capacity Building of BOA Micro Credit on Borrowers

(i) BOA skills training and advisory services human capacity building:-

On average how do you rate your entrepreneurial funding, management skills, investment techniques and confidence before BOA skills training and advisories services given to you.

Bad □ (0), Fair □ (1), Good □ (2), Very good □(3)

On average how do you rate your entrepreneurial funding, management skills, investment techniques and confidence during BOA skills training and advisories services given to you.

Bad □ (0), Fair □ (1), Good □ (2), Very good □(3)

(ii) Projects initiation capacity of the BOA micro credit scheme

What was the proportion of your BOA micro loan put into:-

Before: Former project □, New project □, Human resources □All forms □

During: Former project □, New project □, Human resources □All forms □

(iii) Impact of backstop services of BOA on human capacity building

Rate backstop services contribution to your project before BOA micro credit

Oral Advice: None □ (0), Little□ (2), Great □ (2), Very great □ (3)

Skills Training: None □ (0), Little□ (2), Great □ (2), Very great □ (3)

Banking Facilities: None (0), Little (2), Great (2), Very great (3)

Savings Capacity: None (0), Little (2), Great (2), Very great (3)

Micro Insurance: None (0), Little (2), Great (2), Very great (3)

Rate backstop services contribution to your project during BOA micro credit

Oral Advice: None □ (0), Little□ (2), Great □ (2), Very great □ (3)

Skills Training: None □ (0), Little□ (2), Great □ (2), Very great □ (3)

Banking Facilities: None (0), Little (2), Great (2), Very great (3)

Savings Capacity: None (0), Little (2), Great (2), Very great (3)

Micro Insurance: None (0), Little (2), Great (2), Very great (3)

(iv) Banking culture capacity building of the BOA micro credit

i. Do you have bank account?

(a) Before BOA micro loan Yes □ No □,

(b) During BOA micro loan Yes □ No □

ii. How much on the average do you save in surplus money? (=N= 000)

(a) Before getting the BOA micro loans: 0 □, 1 – 20 □, 21 – 40 □, 41 – 60 □, 80 above □.

(b) During the BOA micro loans use: 0 □, 1 – 20 □, 21 – 40 □, 41 – 60 □, 80 above □.

iii. What was/is your financial transaction frequency?

(a) Before micro loan: None □, weekly □, monthly □, 3monthly□,6monthly□

(b)During use of loan: None □, weekly □, monthly □, 3monthly□,6monthly□

I. Weaknesses of the BOA Management in Dispensing its Micro Loans

What difficulties did you encounter during accessing the BOA loans?
Long procedure□ Far distance□ Dishonest officials□ late disbursement of fund□ High interest charges □ Others specify □ ……

J. Adverse Effects of the BOA Micro Credit Scheme

How do you rate the following side-effects of BOA loans?

Too much dependency on micro loans:	None (0) □	Little (1) □	High (2) □
Increasing polygamy	None (0) □	Little (1) □	High (2) □
Increased youth marriage	None (0) □	Little (1) □	High (2) □
Feud (family hostility) increase	None (0) □	Little (1) □	High (2) □
Pilfering (stealing crops on farm)	None (0) □	Little (1) □	High (2) □
Land dispute increase	None (0) □	Little (1) □	High (2) □
Drunkenness and drug abuse increase	None (0) □	Little (1) □	High (2) □
Corruption and bribery emergence	None (0) □	Little (1) □	High (2) □
Rubbery incidence	None (0) □	Little (1) □	High (2) □
Divorce increase	None (0) □	Little (1) □	High (2) □
Over proud of the borrowers	None (0) □	Little (1) □	High (2) □
Other side effects (specify	None (0) □	Little (1) □	High (2) □

Comment freely on the advantages and disadvantages of using BOA loans
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……..……

Thanks for your support towards the success of the research.

Appendix V: Income Generating Investments of BOA Micro Credit 2001 To 2014

Borrower 's activities

(i) Agricultural activities:

Arable	2001/2	2003/4	2005/6	2007/8	2009/10	2011/12	2013/14
1	89	128	136	152	160	166	170
2	108	130	148	160	170	178	188
3	77	88	93	102	107	114	120
4	65	110	117	130	135	143	148
5	82	120	130	145	149	156	150
6	61	88	95	104	108	112	117
7	81	126	134	146	152	162	166
8	50	76	84	94	106	112	117
9	54	84	95	108	112	116	120
10	66	95	105	122	126	130	135
11	61	76	92	100	105	112	118
12	81	116	125	134	138	145	150
13	64	95	110	118	122	128	130
14	85	88	94	106	110	120	125
15	80	108	120	130	134	142	140
16	88	120	128	140	144	152	155
17	175	139	247	166	160	168	173
18	94	134	142	150	154	160	165
19	76	114	128	140	145	152	157
20	65	85	102	110	114	120	126
21		110	120	130	138	147	150
22		90	102	152	155	162	170
23		92	107	115	119	129	134
24		88	100	112	117	123	130
25		162	190	215	216	134	131
26		65	90	100	103	112	111

27		67	98	102	106	112	120
28		72	95	100	104	110	118
29		74	97	105	109	118	120
30		66	79	107	100	108	114
31			152	170	175	185	190
32			122	136	140	149	156
33			98	113	118	125	130
34			104	108	102	110	115
35			122	132	135	144	149
36			62	70	73	79	100
37			75	84	86	92	95
38			66	78	80	93	108
39			70	80	84	92	100
40			80	90	98	97	112
Fadama							
41	140	138	124	130	130	132	137
42	150	152	150	152	150	147	152
43	120	115	85	90	92	91	96
44	120	112	116	120	124	120	124
45	120	105	83	94	90	94	100
46	150	115	112	115	115	117	122
47	103	108	101	108	100	101	103
48		114	82	98	106	100	107
49		110	60	64	64	65	70
50		114	86	90	92	90	99
51		120	85	95	93	94	100
52			70	75	80	83	88
53			98	100	95	99	106
54			38	44	42	40	50
55			50	57	59	59	55

56			45	50	50	52	57
Rice							
57	140	140	141	147	148	156	160
58	135	130	130	140	138	144	149
59	130	128	130	137	135	140	144
60	130	130	128	135	132	139	147
61	125	120	120	125	127	134	136
62	130	125	126	131	111	134	138
63	140	138	135	145	148	157	161
64	145	138	137	147	150	156	160
65	130	126	122	129	130	137	144
66		45	46	50	50	54	56
67		45	47	54	56	60	63
68		45	46	53	55	61	66
69		45	47	53	55	63	68
70		45	45	51	53	62	66
71			50	57	60	66	70
72			50	56	58	55	59
73			50	58	60	68	72
74			50	54	56	60	65
Cassava							
75	143	150	154	176	180	196	208
76	85	94	98	109	112	118	127
78	125	128	130	145	148	165	180
79	85	95	99	112	115	120	130
80	145	150	154	174	175	189	200
81	120	124	128	168	170	177	187
82		40	42	49	50	55	60
83		40	41	47	48	54	62
84		40	42	50	50	55	61

85			40	46	48	53	57
86			40	47	46	52	56
87			40	45	47	50	54
Vegetable							
88	72	120	123	140	146	160	156
89	73	125	130	144	148	167	167
90	79	137	140	148	154	170	168
91	78	130	132	143	147	157	155
92		45	52	59	63	72	72
93		45	50	55	57	68	68
94			43	48	50	57	59
95			45	49	51	58	60
96			40	46	48	53	57
Cattle							
97	81	84	118	122	144	145	195
98	78	82	116	118	143	143	190
99	80	83	108	112	137	138	178
100	81	85	102	104	127	127	165
101	82	86	119	121	145	144	184
102		42	75	77	87	89	120
103		40	73	75	80	82	107
104		40	72	73	88	84	110
105			55	56	73	73	103
106			54	54	70	69	94
Ram Fat							
107	101	104	118	122	140	176	176
108	102	102	116	120	147	175	175
109		54	84	92	107	129	125
110			62	66	106	120	124
Piggery							

111	101	164	150	154	156	171	174
112	100	160	150	155	153	173	170
113		100	100	102	101	131	134
114			40	41	42	70	67
Poultry							
115	133	140	143	154	164	183	182
116	133	144	145	153	160	187	185
117	134	136	137	149	156	178	175
118		100	64	71	74	84	85
119		100	57	64	71	81	83
120			50	55	60	71	74
Fishery							1
121	101	107	109	117	139	156	155
122	100	106	108	115	137	151	152
123	101	105	107	114	138	153	154
124	100	104	106	113	143	157	155
125		80	82	87	104	126	124
126			41	44	55	65	66
127			41	43	51	60	62
Crop/Pros							
128	102	86	138	164	145	163	161
129	100	82	136	162	142	160	164
130	100	98	131	156	144	166	162
131		36	52	64	67	88	88
132			40	48	51	70	72

(ii) Non-Agricultural activities

Cottage productions

133	81	117	128	129	131	143	141
134	80	107	130	131	133	145	144

135	82	119	139	130	124	138	137
136	79	121	138	119	122	133	131
137	81	97	109	109	110	121	121
138		61	70	72	74	81	83
139		60	68	70	72	86	87
140			90	92	92	99	100
141			92	92	90	98	100
Restaurant							
142	101	134	181	138	138	145	166
143	101	139	184	138	138	143	163
144	101	125	180	132	132	137	150
145		60	91	94	94	100	113
146		45	82	84	84	88	94
147			74	76	76	83	90
Carpentry							
148	100	104	105	106	105	115	129
149	100	102	103	104	106	119	135
150			75	73	72	90	102
Car/Laundry							
151	160	113	160	160	157	237	297
152		47	60	60	63	93	143
Tailory							
153	220	320	276	269	268	290	287
154			45	50	52	58	55
155			45	47	46	52	58
Welding							
156	40	50	89	90	91	110	122
157	41	51	91	90	89	110	118
Barb/Saloon							
158	70	120	110	111	110	123	127

159	70	123	123	121	120	125	130
160			47	48	50	62	83
Petty/Trade							
161	102	148	172	144	165	167	169
162	100	144	167	137	160	162	165
163		100	148	126	149	144	139
164			100	110	120	121	121

Appendix VI: Tables (a) to (s) are Mean Analyses of the BOA Micro Credit Impact on Living Standard Variables' X^2-value, Df& : p-value

a) Self-employment

VARIABLES	Before		After		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
Established agricultural work	97	59.1	96	58.5			
Established cottage production	16	9.8	14	8.5			
Established tailoring work	13	7.9	12	7.3			
Established mechanical works	7	4.3	9	5.5			
Established trading	10	6.1	8	4.9	80.239a	56	.019
Established transport business	11	6.7	14	8.5			
Established communication business	5	3.0	7	4.3			
Established catering businesses	5	3.0	2	1.2			
Underemployed to full employment	0	0	2	1.2			
Total	164	100.	164	100.0			

b) Enterprises productivity (=N= 000)

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
1-25	5	3.0	0	0			
26–50	90	54.9	38	23.2			
51–75	47	28.7	40	24.4			
76–100	7	4.3	32	19.5			
101–125	0	0	25	15.2	2.112E2a	24	.000
126–150	0	0	16	9.8			

151–175	0	0	6	3.7
176–200	0	0	4	2.4
201–225	0	0	2	1.2
226+	0	0	1	.6
No response	15	9.1	0	0
Total	164	100.0	164	100.0

c) Agricultural productivity (=N= 000)

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
1-25	5	3.0					
26–50	108	65.9	30	18.3			
51–75	27	16.5	40	24.4			
76–100	12	7.3	38	23.2			
101–125	5	3.0	29	17.7	1.972E2a	32	.000
126–150	0	0	14	8.5			
151–175	0	0	6	3.7			
176–200	0	0	4	2.4			
201–225	0	0	2	1.2			
226+	0	0	1	.6			
No response	7	4.3	0	0			
Total	164	100.0	164	100.0			

d) Re-investment capacity (=N= 000)

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
1-10	39	23.8	44	26.8			
11-20	0	0	62	37.8			
21–30	0	0	0	0			
31–40	0	0	0	0			
41–50	0	0	0	0	1.461a	1	.227
51-60	0	0	0	0			
61-70	0	0	0	0			
71-80	0	0	0	0			
81-90	0	0	0	0			
91 and above	0	0	0	0			
No response	125	76.2	58	35.4			
Total	164	100.0	164	100.0			

e) Clothing expense (=N= 000)

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
1-10	97	59.1	63	38.4			
11-20	64	39.0	86	52.4			
21–30	3	1.8	15	9.1			
31–40	0	0	0	0			
41–50	0	0	0	0	1.520E2a	4	.000
51-60	0	0	0	0			

61-70	0	0	0	0
71-80	0	0	0	0
81-90	0	0	0	0
91 and above	0	0	0	0
Total	164	100.0	164	100.0

f) Housing Material

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
Not owning a house	98	59.8	87	53.0			
Mud wall, thatched roof	46	28.0	46	28.0			
Mud wall, thatched roof, cement floor	16	9.8	16	9.8			
Mud wall, thatch roof, cement plastered	4	2.4	7	4.3			
Mud wall, zinc roof, cement floor	0	0	3	1.8	95.139a	15	.000
Mud wall, zinc roof, cement floor, wall plastered	0	0	2	1.2			
Mud wall, zinc roof plastered, ceilinged	0	0	0	0			
Concrete wall, zinc roof	0	0	0	0			
Concrete wall, zinc roof, ceilinged	0	0	0	0			
Concrete wall, zinc roof, ceiling, carpeted floor	0	0	0	0			
No response	0	0	3	1.8			
Total	164	100.0	164	100.0			

g) Food security rating percentage

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
1-20	15	9.1	0	0			
21-30	0	0	24	14.6			
31–40	0	0	30	18.3			
41–50	0	0	33	20.1			
51–60	46	28.0	30	18.3	31.954a	12	.001
61–70	16	9.8	20	12.2			
71–80	0	0	21	12.8			
81–90	0	0	6	3.7			
No response	87	53.0	0	0			
Total	164	100.0	164	100.0			

h) Improve diet often meals

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
None	0	0	0	0			
Vegetables	25	15.2	25	15.2			
Cooking oil	33	20.1	23	14.0			
Sugar	29	17.7	30	18.3			
Fish	16	9.8	17	10.4	6.311E2a	56	.000
Meat	19	11.6	12	7.3			
Egg	18	11.0	15	9.1			
Margarine	15	9.1	16	9.8			

Salad	9	5.5	12	7.3
Crayfish	0	0	14	8.5
No response	87	53.0	0	0
Total	164	100.0	164	100.0

i)Household equipment items

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
None	62	37.8	63	38.4			
Radio	36	22.0	24	14.6			
Pressing Iron	29	17.7	30	18.3			
Cooking Stove	22	13.4	24	14.6			
Food coolers/flasks	11	6.7	9	5.5	2.900E2a	35	.000
Floor carpets	4	2.4	7	4.3			
Foam mattresses	0	0	5	3.0			
Modern boxes/bogs	0	0	2	1.2			
Television	0	0	0	0			
Total	164	100.0	164	100.0			

i) Children education facilities

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
None	0	0	0	0			
Pocket Money	0	0	0	0			

School fees	71	43.3	56	34.1			
Text books	69	42.1	31	18.9			
Biro/pencil/exercise books	20	12.2	30	18.3	3.802E2a	24	.000
Uniforms	2	1.2	22	13.4			
School shoes	2	1.2	17	10.4			
Transport means	0	0	6	3.7			
Meals at school	0	0	2	1.2			
Total	164	100.0	164	100.0			

j) Health Service access to household

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
local private medicine store	56	34.1	57	34.8			
Local govt. dispensary	65	39.6	62	37.8			
Govt. comprehensive health centre	22	13.4	20	12.2			
Government general hospital	21	12.8	17	10.4			
Residence doctor private hospital	0	0	6	3.7	4.483E2a	15	.000
Federal medical centre	0	0	2	1.2			
Teaching hospital	0	0	6	3.7			
High sophisticated private hospital	0	0	2	1.2			
Hospitals abroad	0	0	0	0			
Other health special category							
Total	164	100.0	164	100.0			

L) Assets acquisition

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
Sheep/goats	56	34.1	56	34.1			
Bicycle	44	26.8	42	25.6			
Cottage/sawing/grinding machine	27	16.5	20	12.2			
Power generator	17	10.4	28	17.1			
Cattle	10	6.1	10	6.1	5.274E2a	25	.000
Motor cycle /tricycle	10	6.1	8	4.9			
House	0	0	0	0			
House plot	0	0	6	3.7			
Farm plot	0	0	2	1.2			
Motor	0	0	0	0			
Total	164	100.0	164	100.0			

m) Coping with obligation

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
Care for aged family members	36	22.0	31	18.9			
Helping relatives	43	26.2	30	18.3			
Religious commitments	38	23.2	39	23.8			
Self-help contributions	13	7.9	22	13.4			
NEPA bills	15	9.1	13	7.9	5.687E2a	42	.000
Water bills	10	6.1	11	6.7			

Tax pays	9	5.5	14	8.5
House rehabilitations	0	0	4	2.4
Vehicle particulars renewal	0	0	2	1.2
Marriages/funerals	0	0	0	0
Total	164	100.0	164	100.0

n) Decision power

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
Name to call a child	37	22.6	39	23.8			
School to send a child to	19	11.6	20	12.2			
Crop type to plant for the season	36	22.0	37	22.6			
Dress type to buy for the family members	12	7.3	15	9.1			
Place for worship to household	10	6.1	10	6.1	5.687E2a	42	.000
Type of diet to provide for the family	9	5.5	10	6.1			
Transport mode for the family use	7	4.3	6	3.7			
Period to sell produce of the family	2	1.2	1	.6			
How to organize family funerals	3	1.8	1	.6			
Who approves children's marriages	2	1.2	0	0			
No response	27	16.5	25	15.2			
Total	164	100.0	164	100.0			

o) Participation in politic

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
Mere voter	94	57.3	96	58.5			
Political party member	47	28.7	46	28.0			
Party official at ward level	11	6.7	15	9.1			
Party official at LGA level	0	0	0	0			
Party official at state level	7	4.3	3	1.8	6.119E2a	25	.000
Political Party agent	3	1.8	2	1.2			
Polling orderly	2	1.2	2	1.2			
Electoral official	0	0	0	0			
Total	164	100.0	164	100.0			

p) Leadership promotion

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
Family level	76	46.3	82	50.0			
Ward level	16	9.8	14	8.5			
Village level	9	5.5	11	6.7			
District level	12	7.3	12	7.3			
Club official	10	6.1	9	5.5	5.187E2a	42	.000
Religious organization	8	4.9	9	5.5			
Political ward level	7	4.3	6	3.7			
Political LGA level	4	2.4	3	1.8			
Political state level	0	0	0	0			

Political federal level	0	0	0	0			
No response	22	13.4	18	11.0			
Total	164	100.0	164	100.0			

q) Financial transaction frequency

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
None	0	0	0	0			
Half yearly	0	0	0	0			
Quarter yearly	0	0	0	0			
Bimonthly	18	11.0	54	32.9			
Monthly	6	3.7	40	24.4	18.986a	6	.004
Biweekly	6	3.7	34	20.7			
Weekly	4	2.4	30	18.3			
Twice a week	0	0	6	3.7			
No response	130	79.3	0	0			
Total	164	100.0	164	100.0			

r) Mode of carriage

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
Human	19	11.6	16	9.8			
Animal	18	11.0	16	9.8			
Push-push	15	9.1	15	9.1			

Bicycle	12	7.3	13	7.9			
Motor cycle	38	23.2	36	22.0	7.606E2a	49	.000
Tricycle	30	18.3	34	20.7			
Bus/pick-up	8	4.9	8	4.9			
Lorry/truck	24	14.6	26	15.9			
Train	0	0	0	0			
Others	0	0	0	0			
Total	164	100.0	164	100.0			

s) Phone calls expenses (=N= 000)

Response	Before		During		X^2-value	Df	p-value
	Freq	Perc	Freq	Perc			
1	0	0	0	0			
2	6	3.7	69	42.1			
3	0	0	22	13.4			
4	17	10.4	16	9.8			
5	20	12.2	16	9.8	1.187E2a	28	.000
6	8	4.9	9	5.5			
7	6	3.7	8	4.9			
8	5	3.0	9	5.5			
9	4	2.4	4	2.4			
10 +	5	3.0	3	1.8			
No response	93	56.7	8	4.9			
Total	164	100.0	164	100.0			

Appendices VII: Tables (a) to (e) are Mean Analyses of the BOA Human Capacity Building Variables' X^2-Value, Df& :p-value

a) Respondents' perceived impact of BOA training and advisory services on their investment techniques

Response	Before		During		X^2-value	Df	p-value
	No. of Respondents	%	No. of respondents	%			
Fair	74	45.1	54	32.9			
Good	24	14.6	56	34.1	15.372a	4	.004
Very good	11	6.7	44	26.8			
No response	55	33.5	10	6.1			
Total	164	100.0	164	100.0			

b) Respondents' perceived impact of BOA on their project initiation capacity

Response	Before		During		X^2-value	Df	p-value
	No. of respondents	%	No. of respondents	%			
Former	50	30.5	90	54.9			
New	26	15.9	59	36.0			
Human Resources	2	1.2	4	2.4	45.412a	9	.000
All forms	6	3.7	11	6.7			
No response	80	48.8	0	0			
Total	164	100.0	164	100.0			

c) Respondents' perceived impact of BOA's backstopping services

Response	Before		During		X^2-value	Df	p-value
	No. of respondents	%	No. of respondents	%			
Little	69	42.1	79	48.2			
Great	53	32.3	65	39.6	9.642a	4	.047
Very Great	12	7.3	20	12.2			
No response	30	18.3	0	0			
Total	164	100.0	164	100.0			

d) Respondents' perceived impact of BOA on their capacity to save (=N=000)

Response	Before		During		X^2-value	Df	p-value
	No. of respondents	%	No. of respondents	%			
1-20	130	79.3	40	24.4			
21-40	19	11.6	56	34.1	1.097E2a	6	.000
41-60	15	9.1	44	26.8			
61 and above	0	0	24	14.6			
Total	164	100.0	164	100.0			

d) Respondents' perceived impact of BOAS on the capacity for frequent financial transaction before and with micro credit

Response	Before		During		X^2-value	Df	p-value
	No. of respondents	%	No. of respondents	%			
6 months	5	3.0	9	5.5			

Quarterly	10	6.1	20	12.2			
Monthly	57	34.8	135	82.3	13.746a	6	.033
Weekly	20	12.2	0	0			
No response	72	43.9	0	0			
Total	164	100.0	164	100.0			

APPENDIX VIII: BOA MANAGEMENT MICRO CREDIT LENDING RECORD PRINTOUT

BANK OF AGRICULTURE LIMITED
MAIDUGURI BRANCH

NAME OF	NO. OF BENEFICIARIES			LOAN NO.	PROJECT TYPE	LOAN TENOR	DATE OF 1ST DISB.	EXPIRY DATE	AMOUNT APPROVED
	MALE	FEMALE	OTHERS						
JERE FADAMA CO-OPE SOCIETY (1)									
Ali Usman Umoru									
Ahmadu Alh. Mohammed									
Shehu Alh. Umoru Dan Azumi				A/2007/001	Arable	2years	14/09/2007	14/08/2009	150,000.00
Awali Usman				A/2007/002	Arable	2years	14/09/2007	14/08/2009	150,000.00
Ahmed Mohammed Laga				A/2007/003	Arable	2years	14/09/2007	14/08/2009	150,000.00
Ali Mohammed Laga				A/2007/004	Arable	2years	14/09/2007	14/08/2009	150,000.00
Goni Hamza				A/2007/005	Arable	2years	14/09/2007	14/08/2009	150,000.00
Ladan M Shaibu				A/2007/006	Arable	2years	14/09/2007	14/08/2009	150,000.00
Usman Umar Ambursa				A/2007/007	Arable	2years	14/09/2007	14/08/2009	150,000.00
				A/2007/008	Arable	2years	14/09/2007	14/08/2009	150,000.00
ZABARMARI RICE FARMERS GROUP 2			1	A/2007/009	Arable	2years	14/09/2007	14/08/2009	150,000.00
Saidu Mohammed									
Muhammadu Nata'ala									
Shehu Na Umoru Ango				A/2007/001	Arable	2years	13/09/2007	13/08/2009	150,000.00
Rilwanu Mohammed				A/2007/002	Arable	2years	13/09/2007	13/08/2009	150,000.00
Abubakar Goni Hamza				A/2007/003	Arable	2years	13/09/2007	13/08/2009	150,000.00
Mohammed Dan Boye				A/2007/004	Arable	2years	13/09/2007	13/08/2009	150,000.00
Ahmed Mohammed				A/2007/005	Arable	2years	13/09/2007	13/08/2009	150,000.00
Umoru Dan Talata				A/2007/006	Arable	2years	13/09/2007	13/08/2009	150,000.00
Ubale Mai Feshi				A/2007/007	Arable	2years	13/09/2007	13/08/2009	150,000.00
Ibrahim Dan Naela				A/2007/008	Arable	2years	13/09/2007	13/08/2009	150,000.00
Sani Isa				A/2007/009	Arable	2years	13/09/2007	13/08/2009	150,000.00
Salihu Ibrahim				A/2007/010	Arable	2years	13/09/2007	13/08/2009	150,000.00
Jibrin Sultan				A/2007/011	Arable	2years	13/09/2007	13/08/2009	150,000.00
Emmanuel Chiroma				A/2007/012	Arable	2years	13/09/2007	13/08/2009	150,000.00
Buba Dauda				A/2007/013	Arable	2years	13/09/2007	13/08/2009	150,000.00
				A/2007/014	Arable	2years	13/09/2007	13/08/2009	150,000.00
DUSUMAN RICE FARMERS ROUP 2			1	A/2007/015	Arable	2years	13/09/2007	13/08/2009	150,000.00
Usman Bulama									
Abubakar Mohammad									
Mohammed Yusufu				A/2008/001	Arable	2years	01/09/2008	01/08/2010	150,000.00
Garba Zaki				A/2008/002	Arable	2years	01/09/2008	01/08/2010	150,000.00
Sabo wanzam				A/2008/003	Arable	2years	01/09/2008	01/08/2010	150,000.00
Ali Haruna				A/2008/004	Arable	2years	01/09/2008	01/08/2010	150,000.00
Mohammed Bulama				A/2008/005	Arable	2years	01/09/2008	01/08/2010	150,000.00
Ibrahim Mohammed Auwal				A/2008/006	Arable	2years	01/09/2008	01/08/2010	150,000.00
Muktari Abdullahi				A/2008/007	Arable	2years	01/09/2008	01/08/2010	150,000.00
Adamu Mai Saje				A/2008/008	Arable	2years	01/09/2008	01/08/2010	150,000.00
Abubakar Yau				A/2008/009	Arable	2years	01/09/2008	01/08/2010	150,000.00
				A/2008/010	Arable	2years	01/09/2008	01/08/2010	150,000.00
MAIWA MBELERI (A)			1	A/2008/011	Arable	2years	01/09/2008	01/08/2010	100,000.00
Umaru Mohammed									
Abba Umar Mohammed									
Haruna Mohammed				A/2008/001	Arable	2years	01/09/2008	01/08/2010	100,000.00
Musa Umar				A/2008/002	Arable	2years	01/09/2008	01/08/2010	100,000.00
Sale Mohammed				A/2008/003	Arable	2years	01/09/2008	01/08/2010	100,000.00
				A/2008/004	Arable	2years	01/09/2008	01/08/2010	100,000.00
BABAN LINE B.			1	A/2008/005	Arable	2years	01/09/2008	01/08/2010	100,000.00
Ifeanyi Ozoigbo									
Stephen Okonkwo									
Obinna O. Donald				A/2008/001	Arable	2years	01/09/2008	01/08/2010	150,000.00
Innocent O. Ezeganya				A/2008/002	Arable	2years	01/09/2008	01/08/2010	150,000.00
Grace Mba				A/2008/003	Arable	2years	01/09/2008	01/08/2010	150,000.00
Igwe Ambrose				A/2008/004	Arable	2years	01/09/2008	01/08/2010	150,000.00
Martins Okonkwo				A/2008/005	Arable	2years	01/09/2008	01/08/2010	150,000.00
Patience Ozoigbo				A/2008/006	Arable	2years	01/09/2008	01/08/2010	150,000.00
Chwukwu E. Igwe				A/2008/007	Arable	2years	01/09/2008	01/08/2010	150,000.00
Sunday Aniokete				A/2008/008	Arable	2years	01/09/2008	01/08/2010	150,000.00
				A/2008/009	Arable	2years	01/09/2008	01/08/2010	150,000.00
RICE FARMER ASSOCIATION MAFA			1	A/2008/010	Arable	2years	01/09/2008	01/08/2010	150,000.00
Bulama Jidda									
Asudek Isa									
Umar B. Jidda				A/2008/001	Arable	2years	01/09/2008	01/08/2010	150,000.00
Kyari Walzeme				A/2008/002	Arable	2years	01/09/2008	01/08/2010	150,000.00
Abba Mustapha				A/2008/003	Arable	2years	01/09/2008	01/08/2010	150,000.00
Bulama Ahmed				A/2008/004	Arable	2years	01/09/2008	01/08/2010	150,000.00
Bukar Amsami				A/2008/005	Arable	2years	01/09/2008	01/08/2010	150,000.00
Ladi Iiwan chinda				A/2008/006	Arable	2years	01/09/2008	01/08/2010	100,000.00
A. I. Shallangwa				A/2008/007	Arable	2years	01/09/2008	01/08/2010	150,000.00
				A/2008/008	Arable	2years	01/09/2008	01/08/2010	100,000.00
SAWA INDIGINE MPCS			1	A/2008/009	Arable	2years	01/09/2008	01/08/2010	100,000.00
Mahammadu Jegira									
Mohammadu Amathe									
Abdulkadir Wada				A/2008/001	Arable	2years	01/09/2008	01/08/2010	100,000.00
Amos Buduwara				A/2008/002	Arable	2years	01/09/2008	01/08/2010	100,000.00
				A/2008/003	Arable	2years	01/09/2008	01/08/2010	100,000.00
KONDUDA FARMERS ASSOCIATION			1	A/2008/004	Arable	2years	01/09/2008	01/08/2010	100,000.00
Mohammed Mustapha									
Wadai Goni									
Mala Goni				A/2008/001	Arable	2years	01/09/2008	01/08/2010	100,000.00
Yusuf Goni				A/2008/002	Arable	2years	01/09/2008	01/08/2010	100,000.00
Hassan Mala				A/2008/003	Arable	2years	01/09/2008	01/08/2010	100,000.00
Sanda modu				A/2008/004	Arable	2years	01/09/2008	01/08/2010	100,000.00
Dan Asabe				A/2008/005	Arable	2years	01/09/2008	01/08/2010	100,000.00
MammaduYabisoye				A/2008/006	Arable	2years	01/09/2008	01/08/2010	100,000.00
				A/2008/007	Arable	2years	01/09/2008	01/08/2010	100,000.00
ALIERI FARMER CASSAVA GROWERS ASS.			1	A/2008/008	Arable	2years	01/09/2008	01/08/2010	100,000.00
IDIRISA BULAMA									
YAGA WADU CHIROMA									
SARATU LINUS				CSV/2008/001	Cassava	2years	01/09/2008	01/08/2010	100,000.00
NAOMI L. NKWAMBULA				CSV/2008/002	Cassava	2years	01/09/2008	01/08/2010	100,000.00
G. IDIRISA				CSV/2008/003	Cassava	2years	01/09/2008	01/08/2010	100,000.00
Samuel N. Obi				CSV/2008/004	Cassava	2years	01/09/2008	01/08/2010	100,000.00
				CSV/2008/005	Cassava	2years	01/09/2008	01/08/2010	100,000.00
DIKWA BUDUM FARMERS ASS				CSV/2008/006	Cassava	2years	01/09/2008	01/08/2010	100,000.00
Mustapha Gana Modu									
Kaumi Abba Goni									
Bukar Gana Dikwa				A/2011/001	Arable	2years	05/05/2011	05/04/2013	47,000.00
Abatcha Dikwama				A/2011/002	Arable	2years	05/05/2011	05/04/2013	47,000.00
Alifa Mustapha				A/2011/003	Arable	2years	05/05/2011	05/04/2013	47,000.00
Mallam Akura Teburma				A/2011/004	Arable	2years	05/05/2011	05/04/2013	47,000.00
Baba Gana Ali				A/2011/005	Arable	2years	05/05/2011	05/04/2013	47,000.00
Mustapha Bunima				A/2011/006	Arable	2years	05/05/2011	05/04/2013	47,000.00
Ahmed Shettima				A/2011/007	Arable	2years	05/05/2011	05/04/2013	47,000.00
Baba Bukar Dikwa				A/2011/008	Arable	2years	05/05/2011	05/04/2013	47,000.00
DIKWA SHITTIMI YANDIMI				A/2011/009	Arable	2years	05/05/2011	05/04/2013	47,000.00
Aisami Motowoli				A/2011/010	Arable	2years	05/05/2011	05/04/2013	47,000.00
Yakura Long									
Koshi M. Aisami				A/2011/011	Arable	2years	05/05/2011	05/04/2013	47,000.00

Yakura Aisami				A/2011/012	Arable	2years	05/05/2011	05/04/2013	47,000.00
Yina M. Ali				A/2011/013	Arable	2years	05/05/2011	05/04/2013	47,000.00
Faji M. Ali				A/2011/014	Arable	2years	05/05/2011	05/04/2013	47,000.00
Falta A.Kashim				A/2011/015	Arable	2years	05/05/2011	05/04/2013	47,000.00
Modu Jalo				A/2011/016	Arable	2years	05/05/2011	05/04/2013	47,000.00
Yagana Zannah Mala				A/2011/017	Arable	2years	05/05/2011	05/04/2013	47,000.00
MALLAM MAJA WOMEN				A/2011/018	Arable	2years	05/05/2011	05/04/2013	47,000.00
Hajja Yecha				A/2011/019	Arable	2years	05/05/2011	05/04/2013	47,000.00
Yachiwan M. Baba									
Kaltum Bulama				A/2011/020	Arable	2years	05/05/2011	05/04/2013	47,000.00
Hadiza M. Modu				A/2011/021	Arable	2years	05/05/2011	05/04/2013	47,000.00
Hajja Yagana A. Tuja				A/2011/022	Arable	2years	05/05/2011	05/04/2013	47,000.00
Fandi A.Zannah				A/2011/023	Arable	2years	05/05/2011	05/04/2013	47,000.00
Yagana M.Baba				A/2011/024	Arable	2years	05/05/2011	05/04/2013	47,000.00
Bintu Abuna				A/2011/025	Arable	2years	05/05/2011	05/04/2013	47,000.00
Balkiso Hamman				A/2011/026	Arable	2years	05/05/2011	05/04/2013	47,000.00
Hajja Aisha Kawuri				A/2011/027	Arable	2years	05/05/2011	05/04/2013	47,000.00
IZZARAM MAIMA MPCS				A/2011/028	Arable	2years	05/05/2011	05/04/2013	47,000.00
Grema Maima				A/2011/029	Arable	2years	05/05/2011	05/04/2013	47,000.00
Babagana Baale									
Sale Audu				A/2011/031	Arable	2years	05/05/2011	05/04/2013	36,000.00
M.Mustapha Tijani				A/2011/032	Arable	2years	05/05/2011	05/04/2013	36,000.00
Konto Kellube				A/2011/033	Arable	2years	05/05/2011	05/04/2013	36,000.00
Abatcha Karda				A/2011/034	Arable	2years	05/05/2011	05/04/2013	36,000.00
Goni Babanu A. Goni				A/2011/035	Arable	2years	05/05/2011	05/04/2013	36,000.00
Ibrahim Isa				A/2011/036	Arable	2years	05/05/2011	05/04/2013	36,000.00
Akura Mele				A/2011/037	Arable	2years	05/05/2011	05/04/2013	36,000.00
Abakura Mallam				A/2011/038	Arable	2years	05/05/2011	05/04/2013	36,000.00
DIKWA BUTUMI MPCS				A/2011/039	Arable	2years	05/05/2011	05/04/2013	36,000.00
Ali M . Modu				A/2011/040	Arable	2years	05/05/2011	05/04/2013	36,000.00
Modu Butube									
Baba Gana Kantoma				A/2011/042	Arable	2years	05/05/2011	05/04/2013	50,000.00
Baba Mustapha Fanta				A/2011/043	Arable	2years	05/05/2011	05/04/2013	50,000.00
Modu Konnu Kaaze				A/2011/044	Arable	2years	05/05/2011	05/04/2013	50,000.00
Alhaji Gambobe				A/2011/045	Arable	2years	05/05/2011	05/04/2013	50,000.00
Maina Maaji				A/2011/046	Arable	2years	05/05/2011	05/04/2013	50,000.00
Mallam Fantami				A/2011/047	Arable	2years	05/05/2011	05/04/2013	50,000.00
Alh. Modu Bobolo				A/2011/048	Arable	2years	05/05/2011	05/04/2013	50,000.00
Akura Alh. Wakil				A/2011/049	Arable	2years	05/05/2011	05/04/2013	50,000.00
DRY SEASON FARMERS MPCS				A/2011/050	Arable	2years	05/05/2011	05/04/2013	50,000.00
Zanna Alh B.G.Umar				A/2011/051	Arable	2years	05/05/2011	05/04/2013	50,000.00
Alhaji Mala Gana									
Hauwa Markade				A/2011/052	Arable	2years	20/09/2011	20/08/2013	47,000.00
Bintu Mallam				A/2011/053	Arable	2years	20/09/2011	20/08/2013	47,000.00
Fatmata Chellyen				A/2011/054	Arable	2years	20/09/2011	20/08/2013	47,000.00
Alhaji Bukar B.Dikwa				A/2011/055	Arable	2years	20/09/2011	20/08/2013	47,000.00
Goni Musa Gana				A/2011/056	Arable	2years	20/09/2011	20/08/2013	47,000.00
Mama Kuturic				A/2011/057	Arable	2years	20/09/2011	20/08/2013	47,000.00
Hadiza Hauwa				A/2011/058	Arable	2years	20/09/2011	20/08/2013	47,000.00
Balki Mohammed				A/2011/059	Arable	2years	20/09/2011	20/08/2013	47,000.00
DIKWA SHINKAFA SELLERS MPCS				A/2011/060	Arable	2years	20/09/2011	20/08/2013	47,000.00
Annam Maajir				A/2011/061	Arable	2years	20/09/2011	20/08/2013	47,000.00
Goroma Modu									
Hadiza Mohammed				A/2011/062	Arable	2years	20/09/2011	20/08/2013	50,000.00
Babagana M . Bello				A/2011/063	Arable	2years	20/09/2011	20/08/2013	50,000.00
Hajja Hauwa Bukar				A/2011/064	Arable	2years	20/09/2011	20/08/2013	50,000.00
Bukar Naajir				A/2011/065	Arable	2years	20/09/2011	20/08/2013	50,000.00
Mallam Maina				A/2011/066	Arable	2years	20/09/2011	20/08/2013	50,000.00
Mallam Alhaji				A/2011/067	Arable	2years	20/09/2011	20/08/2013	50,000.00
Mustapha Ikoram				A/2011/068	Arable	2years	20/09/2011	20/08/2013	50,000.00
Ali Bulama Konto				A/2011/069	Arable	2years	20/09/2011	20/08/2013	50,000.00
				A/2011/070	Arable	2years	20/09/2011	20/08/2013	50,000.00
				A/2011/071	Arable	2years	20/09/2011	20/08/2013	50,000.00

Appendix IX: Living Standard Before and During Micro Credit and Differences

Dependent Variables	Period	(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	Calculated Total Scores
Self-employment	BF	0	97	16	13	7	10	11	5	5	0	0	387
	DR	0	96	14	12	9	8	14	7	2	2	0	403
Enterprises productivity	BF	15	5	90	47	7	0	0	0	0	0	0	354
	DR	0	0	39	40	32	24	16	6	4	2	1	644
Agricultural productivity	BF	8	5	108	27	12	5	0	0	0	0	0	375
	DR	0	0	30	40	38	29	14	6	4	2	1	663
Re-investments capacity	BF	125	39	0	0	0	0	0	0	0	0	0	39
	DR	87	43	34	0	0	0	0	0	0	0	0	111
Clothing expenses	BF	0	97	64	3	0	0	0	0	0	0	0	235
	DR	0	63	86	15	0	0	0	0	0	0	0	280
Housing Material	BF	0	98	46	16	4	0	0	0	0	0	0	254
	DR	0	87	46	16	7	3	2	0	0	0	0	282
Food Security	BF	87	15	0	0	0	46	16	0	0	0	0	341
	DR	0	0	24	30	33	30	20	21	6	0	0	735
Improved Diet	BF	0	0	25	33	29	16	19	18	15	9	0	786
	DR	0	0	25	23	30	17	12	15	16	12	14	877
Household equipment	BF	0	62	36	29	22	11	4	0	0	0	0	388
	DR	0	63	24	30	24	9	7	5	2	0	0	435
Children education	BF	0	0	0	71	69	20	2	2	0	0	0	615
	DR	0	0	0	56	31	30	22	17	6	2	0	759
Health Services	BF	0	56	65	22	21	0	0	0	0	0	0	336
	DR	0	57	62	20	17	6	2	0	0	0	0	352
Assets acquisition	BF	8	56	44	27	17	10	10	2	0	0	0	417
	DR	0	56	42	20	28	10	8	0	6	2	0	476
Coping with Obligations	BF	0	36	43	38	13	15	10	9	0	0	0	486
	DR	0	31	30	39	22	13	11	14	4	2	0	575
Decision making Power	BF	27	37	19	36	12	10	9	7	2	3	2	447
	DR	25	39	20	37	15	10	10	6	1	1	0	419
Participation in Politics	BF	0	94	47	11	0	7	3	2	0	0	0	288
	DR	0	96	46	15	0	3	2	0	0	0	0	260
Leadership promotion	BF	22	76	16	9	12	10	8	7	4	0	0	362
	DR	18	82	14	11	12	9	9	6	3	0	0	356
Finance transaction	BF	130	0	0	0	18	6	6	4	0	0	0	166
	DR	0	0	0	0	54	40	34	30	6	0	0	878

Mode of	BF	0	19	18	15	12	38	30	8	24	0	0	766
Carriage	DR	0	16	16	15	13	36	34	8	26	0	0	793
Phone call	BF	93	0	6	0	17	20	8	6	5	4	5	396
Expenses	DR	8	0	69	22	16	16	9	8	9	4	3	596

Note: BF: Before gaining access to BOA micro credit
DR: During utilisation of BOA micro credit
Source: Source: field work, 2012-2014

Reference to Appendix IX, this living standard measurement applies the "proxy" values ranged (0) to (10) to unify the different assessments variables. In Appendix IX, there are four categories of scored proxy values. In the first category the variables are arranged according to value hierarchy. Variable in this category of proxy measures are: self-employment opportunities, housing material, and financial transactions.

In the second category the variable proxy values are measured in thousand naira (=N= 000). Respondents indicate the proxy value range appropriate to his ability. The proxy value ranges are 1 to 10 thousand naira. Variables in this category of proxy values are re-investments capacity, clothing expenses, food security and phone calls.

The third category of proxy values is in greater ranges of 1 to 25 thousand naira. Variables in this group are enterprises productivity and agricultural productivity.

The forth category is with variables demanding multiple responses from 0 to 10. If the respondent ticks one variables then the proxy value is 1, If ticks two boxes the proxy value is '2'. Variables in this category of scoring values are: improved diet, household equipment, children education, health facilities, assets acquisition, copping with obligations, decision making power, participation in politics, leadership promotion and mode of carriages.