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Unimaid Microfinance Bank, Agent Of Poverty Reduction In Borno

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Abstract: ***This study examines Microfinance Bank as agent of poverty reduction in Maiduguri, Nigeria. One way to tackle poverty is to increase participation by empowering the poor/vulnerable through access to microcredit/microloans. There is great consensus amongst economist that microfinance bank/institutions reduce the number of poor households and many part of the world. A household accessing microcredit is likely going to export out poverty. Until the channel through which microfinance affect poor household and individual is clearly understood in Maiduguri, poverty will continue to threaten people and poverty will stay. The objective of this study analyzed income of microfinance loan beneficiaries and Microfinance reducing poverty in Unimad Microfinance, Bono State. The data for this study was elucidated through the use of structured questionnaire, the questionnaire was administered to 300 registered Unimaid Microfinance bank loan beneficiaries and all the 300 questionnaires were duly filled and returned. The respondents were selected through simple random sampling techniques of Unimaid Microfinance Bank loan beneficiaries at that particular time. The finding shows that Microfinance bank contribute to income of beneficiaries' base on their level of size of business, Microfinance loan has significant effect on the reducing poverty level of beneficiaries. The study recommends*** **proliferation of** ***Microfinance institutions within the state for non benefiting members of the community to benefits microloan in order to boast the economic activity within the state and Government should solicit collaborative partnership with other nongovernmental organization to fashion out possible ways on how to tackle poverty in addition of existing microfinance institutions and other non financial institutions. This will create a window for growth and development of the economy as a result of more job opportunities and increased flow of money circulation in the economy.***

Keyword: Microfinance, Income and Poverty

I. INTRODUCTION

Microfinance bank is concerned with the provision of financial service to low income earners include low income households, young micro-entrepreneurs, the vulnerable groups (such as women, physically challenged youths that lacks access to generational banks or commercial banks. The essence of micro finance service is to give microloan/microcredit and non-financial service to the poor people in the rural areas. The erstwhile community banks in Nigeria were converted to Microfinance Bank in Nigeria 2003. It against this backdrop that Several microfinance banks were registered by CBN and issued them license of operation after meeting the capitalization requirements of N20 million within the specified period and many were granted automatic conversion to microfinance bank in 2005. (CBN 2005)

According the CBN 2005, 35% of Nigerian were connected to conventional Banking while the remaining 65% have no access to collateral and large capital to obtain loan from the conventional bank as a result of poverty situation and limited income base.

Poverty continues to heat the people until something has to be done and abate the vicious cycle domination by way of money intervention. Entrepreneurs experience business failure when their working capital start deterioration particularly the period recession coupled with interminable insurgency in the north eastern part of Nigeria.

The poor man cannot gain access to obtain loan or credit facilities from the commercial banks despite the fact that collateral condition is prerequisite, the need for large financial deposit and must be a current account holder with a motive of profit charging higher interest rate. However, the microfinance bank motive differs, where low interest where considered regardless of collateral or large deposit base. As result of this background, this study will be conducted to clearly explain the linkage between microfinance and poverty in the Maiduguri Borno State.

Poverty affects livelihood in Maiduguri. A poor household likely to continue to remain poor if lack access to financial opportunities. The effect of poverty on household ranges from low income, food shortage, over dependency, fear of marginalization to social exclusions and joblessness. Lack of participation and access to microcredit/microloans to empower the poor/vulnerable are some of the factors contributing to poverty. There is great consensus amongst economist that microfinance bank/institutions reduce the number of poor households and many part of the world. A household accessing microcredit is likely going to export out poverty. Until the channel through which microfinance affect poor household and individual is clearly understood in Maiduguri, poverty will continue to threaten people and poverty will stay. The existing literature on poverty and microfinance in Maiduguri has not explained the linkage between the two.

More so, Umar and Suleiman (2012) uses sociological approach and explained the relationship between microfinance and poverty in Maiduguri. The study findings reveal that beneficiaries received different materials as assistance in order to reduce level of poverty and increase standard of living, the work shows the direction of non-monetary intervention in tackling poverty and this study intent to differ in monetary approach.

Ningi (2011) examined the role of microfinance in poverty alleviation Anambra, the researcher distributed a sample of 99 questionnaire to customers of Microfinance bank. The study findings revealed that total of 57% are within poverty bracket while 42% are above poverty line and recommended government effort toward microfinance institutions. However, this study differs in approach as it focused on beneficiaries' income while adopting microeconomic channels in explaining the link between poverty and microfinance. Understanding the nexus between poverty and microfinance in Maiduguri strengthen poverty alleviation strategy /policies in the state.

The main objective of this study was to examine the effect of Microfinance bank loan to poverty reduction in Borno state. The specific objectives of this work include (a) Analyze the of income of microfinance loan beneficiaries and (b) Analyze the effect of Microfinance loans on poverty reduction.

This research work focuses attention towards contribution of microfinance banks to poverty reduction, because the need for any microfinance services is the actions against poverty menace. The establishment of microfinance institutions is to alleviate the hardship of poor particularly those cannot access credit from commercial banks.

It covers loan beneficiaries of Unimaid microfinance bank within University of Maiduguri Borno State for the time period covering 2012 to 2015

Problems encountered while carrying out this research work include Time constrain, Non-loan beneficiaries and Administrative difficulties in obtaining information from the Bank

II. LITERATURE

CONCEPT OF MICROFINANCE

A microfinance bank (MFB), unless otherwise stated, shall be construed to mean any company licensed by the CBN to carry on the business of providing financial services such as savings and deposits, loans, domestic fund transfers, other financial and non-financial services to microfinance clients (CBN 2012).

Micro-finance is a term used to refer to different methods for giving poor people access to financial services. Microfinance is provision of financial services such as credits (loans), savings, micro-leasing, micro-insurance, and payment transfers to economically active poor and low-income household to enable them engage in income generating activities or expand/grow the small businesses. (Irobi 2008). Furthermore, Robinson (2001) defined Microfinance as the supply of loans, savings and other basic financial services to the poor. According to World Bank (2007), the term refers to provision of financial services (including saving and credit) to the poor. Micro-finance banks therefore are institutions that are established to provide financial services to the poor.

HISTORY OF MICROFINANCE

Microfinance started in Bangladesh and parts of Latin America in the mid-1970s to provide credit to the poor, who were generally excluded from formal financial services. The model gained popularity and has since been replicated in low- and high-income countries. Over time, financial service providers have developed a better understanding of the wide range of financial needs of low-income people in both urban and rural areas. These needs might include asset building, managing irregular income flows, and coping with crises, such as sickness, death, natural disasters, and conflict. Many financial service providers now offer a wide range of products beyond credit, such as savings, insurance, and money transfers, to help poor people manage their financial lives. (Sinha S 2013). Microfinance banks in Nigeria were created in 2005, and community banks which could meet the capitalization requirements of N20 million within the specified period were granted automatic conversion to microfinance bank. They were established to bridge the gap caused by conventional financial institutions who served the banking public of urban, medium, large organization and individuals. These banks were meant to meet the financial needs of the rural poor and small businesses that could not access the services of commercial banks, which were beyond their reach. These banks are owned and managed by communities through their community development associations as a vehicle for self-development and poverty alleviation in the rural areas. The original concept of community banking was to create self-sustaining system of financial intermediation at the grass root level so as to bridge the gap between the informal and formal sectors of the economy. In order to encourage the rural dwellers to own their banks, the Federal Government of Nigeria fixed N250,000 as the minimum share capital required, while government was to match the capital raised the community banks up to a maximum of N500,000 as loans, repayable over a period of five years. Based on the ownership structures of community banks, it was possible to establish the community banks to fill the gap of financial independence needed to power the rural and informal sectors of the economy.

TARGET BENEFICIARIES OF MICROFINANCE

Vulnerable Poor: The linkages between poverty and risk define the concept of vulnerability.

Poverty reflect unacceptable level of wellbeing (risk related), vulnerability is defined as exposure to uninsured risk leading to a socially unacceptable level of well-being.

Vulnerability is often used in a sense somewhat different from its definition here, namely that of 'weakness' or 'defenselessness' and typically used to describe groups that are weak and liable to serious hardship. These are groups that without substantial support may be in severe and chronic poverty, unable to take advantage of profitable opportunities if they emerge, while with limited defenses in case serious events or shocks occur.

Women, Youths and the less privileged: Women are often among the most vulnerable members of society, and are at greater risk of economic hardship, exclusion and violence, discrimination against them is often compounded, the conventional bank discriminated women from been beneficiaries and this end, microfinance target is to include group of women, youths and less privileged as target.

THE CONCEPT OF POVERTY: Most analyses follow the conventional view of poverty as a result of insufficient income for securing basic goods and services. Others view poverty, in part, as a function of education, health, life expectancy, child mortality etc. Blackwood and Lynch (1994), identify the poor, using the criteria of the levels of consumption and expenditure. Poverty may arise from changes in average income or changes in the distribution of income Poverty can be conceptualized in four ways, Lack of access to asset, Lack of access to control resources, Lack access in modern technology, Exclusive mechanisms and Sense of powerlessness.

TYPES OF POVERTY

Chronic poverty Occurs in families where at least two generations have been born into poverty. Families living in this type of poverty are not equipped with the tools to move out of their situations. Chronic poverty is a multidimensional and complex phenomenon that is thought to affect up to half a billion people, most of them in rural sub-Saharan Africa and South Asia. understanding of chronic poverty and its policy solutions over the period 2000-2011

Situational (Transitory) Poverty: - People or families can be poor because of some adversities like earthquakes, floods or a serious illness. Sometimes, people can help themselves out of this situation quickly if they are given a bit of assistance, as the cause of their situations was just one unfortunate event.

Absolute poverty: This refers to a set standard which is consistence over time and between countries. This concept of poverty is known as the absolute poverty because it usually involves a judgment of basic human needs and its measured in terms of the resources required to maintain health and physical efficiency.

Subjective poverty: These concepts of absolute and relative poverty a third concept can be added which is subjective poverty.

Relative Poverty: Refers to the economic status of a family whose income is insufficient to meet its society's average standard of living, is usually in relation to other members and families in the society. For example, a family can be considered poor if it cannot afford vacations, or cannot buy presents for children at Christmas, or cannot send its young to the university.

Urban Poverty: Occurs in metropolitan areas with populations of at least 50,000 people. The urban poor deal with a complex aggregate of chronic and acute stressors (including crowding, violence, and noise) and are dependent on often-inadequate large-city services.

Rural Poverty: Occurs in non-metropolitan areas with populations below 50,000. In rural areas, there are more single-guardian households, and families often have less access to services, support for disabilities, and quality education opportunities.

Monetary and non-Monetary Poverty: The monetary approach has its origins in work of Booth and Rowntree in the late 19th and early 20th Centuries. Pioneer and objective assessment of poverty predefined by the external observer. But they also created an individualistic view of poverty, meaning that poverty could be defined with respect to an individual's circumstances, disregarding the role of society and the individual's social influences. This view of poverty was consistent with the perception of poverty as a social ill, rather than as a disadvantaged situation. This created the idea of the undeserving poor; those who were poor by own will and who, quite clearly, did not deserve the help or assistance of society or the State. The deserving poor, on the other hand, where assisted by charitable interventions designed to help the individual. The social causes of poverty were, therefore, not addressed. This view, thankfully, is all but gone. But the policies of Reagan and Tatcher in the 1980's and the neo-liberal economics of the 1990s, have promoted the idea that poverty is a monetary phenomenon and that it can be reduced by addressing income alone. We must reverse this mentality and address the real issues.

Determinant of Monetary Poverty

Food energy intake method

Cost of basic needs

International poverty line standard

Non-Monetary poverty approach has its origins in the work of Townsend (1979). The approach rests on the idea that if people are so deprived as to lack the physical and Natural resources to participate in the customary activities in society eg Water, Health, Education infrastructure etc and thus in some sense are excluded from society, then they may be regarded as being in poverty. This alternative approach for evaluating poverty is what Madden (2000) termed the "deprivation" approach to poverty.

Causes of Poverty

There is no one cause or determinant of poverty. On the contrary, combination of several complex factors contributes to poverty. They include low or negative economic growth, inappropriate macroeconomic policies, deficiencies in the labor market resulting in limited job growth, low productivity and low wages in the informal sector, and a lag in human resource development. Other factors which have contributed to a decline in living standards and are structural causes or determinants of poverty include increase in crime and violence, environmental degradation, retrenchment of workers, a fall in the real value of safety nets, and changes in family structures.

EMPIRICAL EVIDENCE ON MICROFINANCE REDUCING IN POVERTY

Umar and Suleiman (2014) evaluated poverty alleviation programm in Maiduguri, both primary and secondary data were collected using interview and questionnaire to staff of ministry of poverty in Borno state and descriptive analysis was used in the presentation. The findings revealed beneficiaries received different materials as assistance in order to improve their living standard. It was discovered that most of these beneficiaries engaged in commercial tricycles (Keke NAPEP) for survival. The study further recommends two key words; government should increase the number of beneficiaries so that the poverty can be reduced. Government and non-governmental organizations are equally implored to establish small scale industries to give more loans and create more job opportunities so as to add value to the life of the people.

Katsush and Shafiul (2012) examined whether loans from microfinance institutions (MFI) reduce poverty in Bangladesh drawing upon the nationally representative household panel with four rounds from 1997 to 2004. The effects of general microfinance loans and loans for productive purposes on income, food consumption and women's Body Mass Index are estimated. Overall effects of MFI loans on income and food consumption were positive and the purpose of the loan is important in predicting which household welfare indicator is improved. Alternative estimation methods confirm a positive impact of MFI loans on food consumption growth, which supports the poverty reducing effects of microfinance in Bangladesh

Nikhil (2009) conducted a study on Microfinance reduce Poverty in Bangledesh, a random sampling has been applied to household within the villagers, the four-round panel survey was carried out by the Bangladesh Institute of Development Studies (BIDS) for Bangladesh Rural Employment Support Foundation with funding from the World Bank. All four rounds of the survey were conducted. The survey covered a sample of 13 Partner Organizations and over 3000 households in each round distributed evenly throughout Bangladesh so as to obtain a nationally representative data set for the valuation of microfinance programmes in the country (different districts spanning 91villages from around 23 thanas). Primary data collection was used and descriptive statistic helped in the findings. Findings of the research was based on new household panel data that loans provided by microfinance institutions had significant poverty reducing effects particularly on income and consumption in Bangladesh, which is consistent with some of earlier studies using household data.

The Study recommends further for increasing the size of loan and extends to other part.

Akinlabi, Jegede and Kehinde (2011) studied the empirical relationship between microfinance loan disbursement and poverty alleviation by employing chi-square test, f-test and T-test. Primary data was collected through administering of questionnaire to members of rural community. The finding reveals that there is a significant difference between those people who used microfinance institutions and those who do not use them. There is a significant effect of microfinance institutions in alleviating poverty by increasing income and changing economic status of those who patronize them and concludes that microfinance institution is indeed a potent strategy of poverty reduction and a viable tool for purveying credit to the poor. Further recommend sustainable action and more is need to be done on programme outreach and depth than the present outreach.

Ningi (2011) examined the role of microfinance in Anambra state, the study uses primary method collection and applied both descriptive and inferential analysis and Findings show that 57% of the households in Anambra State fall within the poverty bracket, while 42% are above poverty line. The study further recommends that efforts should be made to strengthen and support microfinance bank in the state thereby enhancing their role in poverty alleviation in Anambra State.

Model specification from This work where deposit is the dependent variable and deposit is the function income, credit, and profit.

Hosea et al (2012) Multiple Borrowing and Loan Repayment: A case Study of Microfinance Clients at Iringa, Tanzania. This study analyzed the incidences of multiple borrowing, the research collected primary data and reasons for multiple borrowing, and effects of multiple borrowing on loan repayment at Iringa municipality in Tanzania. Findings showed that prevalence of multiple borrowing at Iringa in Tanzania was very high. Over 70% of the 250 microfinance clients had at least two loans from different MFIs at the same time, in addition, about 16% had also borrowed from individual lenders. Major reasons for multiple borrowing were insufficient loans from MFIs, loan recycling, and family obligations. Over 70% of the respondents had problems in loan repayment because of multiple pending loans. The research also found that education level and number of dependents of the respondent significantly influenced the number of loan contracts.

Nnenna (2008) conducted a study on Microfinance and poverty alleviation programme in Imo state Nigeria.’’ Primary data was used in distributing questionnaire to Obazu prospective women association Mbeiri and Descriptive analysis where applied to discuss the answered questionnaire by the responded. The finding was Microfinance loan were given mostly to low income earners, customers who are in different business. The findings revealed that microfinance has actually met its original goal of assisting the poor and the low income earners in alleviation of poverty. The study concludes that Micro finance programme have the potential to alleviate poverty especially enhancing the role of women and their bargaining power. Microfinance is a visible tool for increasing the income of women as shown by the obaze progressive women association case study. The study recommends government should empower the Micro finance scheme in many dimensions.

Yahaya, et al (2011) examined the effectiveness of Micro finance bank on alleviating poverty in kwara state." The primary was data collected and ANOVA was used in the analysis. From The findings results revealed that microfinance has significant role to play in the economy, as it helps reduce poverty by providing financial services to the active poor, help in generating employment and provide small loans to grow small businesses. It is therefore recommended that regulatory and other statutory bodies should monitor the interest rate on loans and advances to make it accessible to micro-clients that is the economically active poor. Government should make available necessary infrastructural facilities that will help increase the output of micro entrepreneurs. Also, Microfinance policy should further be publicized so that members of low income groups will be aware of what microfinance institutions have to offer them and how they can obtain financial services to grow their small business.

THEATRICAL VIEW ON POVERTY

Classical economist, developed mostly during the 18th and 19th centuries, classical traditions view individuals as largely responsible for their own destiny, choosing in effect to become poor (e.g. by forming lone-parent families). The concept of 'sub-cultures of poverty' implies that deficiencies may continue over time, owing for example to lack of appropriate role models, and that state aid should be limited to changing individual capabilities and attitudes (i.e. the laissez-faire tradition).

NEOCLASSICAL Theories are wider ranging and recognize reasons for poverty beyond individuals' control. These include lack of social as well as private assets: market failures that exclude the poor from credit markets and cause certain adverse choices to be rational, barriers to education, immigrant status, poor health and advanced age, and barriers to employment for lone-parent families. Looking at the classical and neoclassical approaches together, their main advantages reside in the use of (quantifiable) monetary units to measure poverty and the readiness with which policy prescriptions can be put into practice. They also highlight the influence of incentives on individual behavior as well as the relationship between productivity and income.

Criticism of these approaches highlights their overemphasis on the individual (without, for instance, taking into account links with the community) and the focus on purely material means to eradicate poverty

KEYNESIAN/LIBERAL THEORY Liberal theory revolves around the idea that not only market distortions, but also broad underdevelopment in its multiple facets causes poverty. Meanwhile, Keynesians suggest growth can promote economic development and thus relieve poverty, hence further justifying government intervention at the macroeconomic level (via fiscal and monetary policy), mainly to tackle involuntary unemployment

MARXIAN/RADICAL The power theory of poverty is similar to the Marxists theory of poverty by suggesting radical changes in the socio-economic system, Marxian economists and other radical theorists highlight the possibility that economic growth alone may be insufficient to lift poor people out of (relative) poverty, because those who belong to certain classes may not reap any of the benefits of overall income growth. Similarly, by emphasizing the concept of class, it provides a shift in perspective, focusing on group (rather than individual) characteristics, with individuals' status considered dependent on the socio-economic environment in which they live.

Nevertheless, adequacy of income remains a key factor. Within a capitalist system, alleviation of poverty may require minimum wage laws, action to eliminate dual labour markets, and antidiscrimination laws (seen as one of the most effective anti-poverty strategies). The exploitation of the poor by the rich groups in society may also occur via the quality of the environment; for example, the poor tend to suffer most from air pollution (normally generated by the wealthier groups) given their residential location. A further contribution of Marxian/radical economists is the sense that poverty is a moral as well as a technical issue. This is often lacking in more mainstream economic frameworks, except when they (e.g. Sen) integrate political theories of justice in their analytical framework.

MONETARY VIEW At a most basic level, the monetary approach, as suggested inter alia by (Laderchi et al 2003.) Mirrors the fundamental elements of the neoclassical literature rather precisely. It is seen as compatible with the utility maximizing behavior which means welfare can be measured by consumption. In this view, income and consumption take the center of the stage by simultaneously constituting the main variables of interest and the main units of measurement to be employed in any analysis of poverty, whereas noted the neoclassical approach assumes income depends on marginal productivity. The key assumption in this perspective is that uniform monetary metrics can successfully capture all the relevant heterogeneity across individuals and their situations. Bhalla (2002) argues that income should be the primary consideration in the alleviation of poverty because it enables the poor to gain purchasing power, provides access to resources otherwise unavailable to the poor (thereby addressing the problem of resource inequality) and, enables the poor to purchase or receive free public goods. The main appeal of the monetary measurements of poverty is that welfare can be quantified as the total consumption of individuals, approximated by either expenditure or income data, while poverty is simply defined as a shortfall below some minimum level of resources given by the specific poverty line.

THE VICIOUS CIRCLE HYPOTHESIS Various theories have been advanced in order to put in proper perspective the mechanics of poverty. The orthodox of Western views on poverty, reflected in the "Vicious circle" hypothesis stating that a poor person is poor because he is poor, and may remain poor, unless the person's income level increases significantly enough to pull the person in question out of the poverty trap. To the classical school of thought, such improvement can only be real and sustained, if and only if, the population growth is checked and the "limits of growth" are eliminated. Further, the early classical theorists in the attempt to illuminate on the concept of poverty based their analytical framework on the laws of diminishing returns which was believed to be universal in content although this was later upgraded at the time of Alfred Marshall and his contemporaries when the law of increasing returns in industry was more clearly articulated. Understanding the nature of poverty perhaps received a boost following Marxian theoretical formulation largely based on the principle of exploitation of labour. Marxian theoretical formulations present the economy as ultimately polarized into a few rich capitalists and the masses made up of the poor miserable workers. Technological progress, it was argued, would be labour saving, resulting in displacement of workers to join the reserved army of the unemployed, whose presence depresses the wage level. Joseph Bocke developed a model of dualistic economies which was later popularized by Arthur Lewis. In accordance with this model, the national economy was divided with two parallel institutional production sectors, namely, the traditional sector and the modern sector. The latter is dominated by foreign trade, technology investment and foreign management and is characterized by the beneficial values of discipline, hard work and productive creativity. On the other hand, in the traditional sector, the static low- level equilibrium conditions advanced by the vicious circle of poverty theory are said to hold. According to this school of thought, the subsistence life style and a cultural value that are antithesis to economic growth and modernization dominate. Local ineptitude and the people's apparent lack of response to normal monetary incentives to hard work therefore provide explanation for poverty. This intuitively implies that the poor person is the cause of his/her poverty. Microfinance is a policy recommended by (CBN) Central bank of Nigeria to cushion the effect of poverty in the country, policy recommendation therefore serve as an intervention by government to provide measures on poverty alleviation which goes in line with this study "contribution of microfinance Banks as poverty alleviation measures."

III. RESEARCH METHODOLOGY

AREA OF STUDY

Maiduguri is also called Yerwa the largest city of Borno state northeastern Nigeria located on the north bank of the seasonal Ngadda (Alo) River. It lies within latitude 10-13°N and longitude 12-15°E with total population of 540,016 covering an area of 137.36 km^2 (NPC 2006).

Maiduguri metropolitan as the main city comprise of 15 wards and bordered to 3 local governments which include Konduga, Mafa, and Jere respectively. The arrival of the railway in 1964 reinforced Maiduguri's importance as the chief commercial center of northeastern Nigeria.

Socio economic activities began to rise as a result of Livestock (mainly cattle but also goats and sheep), cattle hides, goatskins and sheepskins, finished leather products, dried fish, (the last two brought from Lake Chad), peanuts (groundnuts), and gum Arabic exports, but there is also considerable local trade in, Millet, Corn (maize), Rice and Cotton.

The Monday market is the largest market in the state, most goods are transported by donkey before but now there are buses, pick-up van and tricycles. Maiduguri's population consists mainly of Muslim and Kanuri as a major tribe, others are Shuwa, Babur, Margi, Hausa and Fulani peoples with an admixture of Christian Nigerians from the south. Since the mid-1960s.

In spite of increasing rate of poverty in Borno, which has been established by poverty indicators of 77.7% by NBS (2013) and the proliferation of Microfinance Banks in the country.

Unimaid Microfinance bank situated near the Bursary Department in the university has played a significant role in the establishment of loan to over 300 beneficiaries over the years. Survey research findings has indicated a positively contribution was recorded in expanding business of beneficiaries in the study area and dual function as agents of payment for academic fees and accepting deposit from student/staffs and customers outside the university. The bank has patronage by the customers in the town. This research work concentrated on loan beneficiaries of Unimaid microfinance as the study area.

Population of the Study consists of entire loan beneficiaries of Unimaid Microfinance Bank, University of Maiduguri Borno State. There are 300 beneficiaries of loan from the bank.

Sample.Size.Since the population of the microfinance loa n beneficiaries is 300, for more accuracy the study used the en tire population as its sample size making 300 respondents.

To Justify this, the entire sample size of 300 was used in the study because the respondents were accessible, couple with the fact that the employees of the bank was used to administer the questionnaire since they have firsthand information on the respondents.

Sampling.techniques,**.**the study employed simple random sampling technique to select 300 respondents for the study.

Primary data was observed, structured questionnaire was distributed to beneficiaries of Unimaid Microfinance Bank.

Simple percentage table is used in analyzing the data supported by graphs, below is questionnaire table format.

SN	Micro finance Income (QUESTIONS)	Yes	%	No	%
1	Does MF provide income through loan ?				
2	Does MF income enhance livelihood ?				
3	Does MF considers income as poverty reducing agent ?				
4	Does MF loan distribute non monetary income ?				
5	Have you ever receive credit without interest ?				
6	Does MF income reduce level of poverty for women and youth ?				
7	Microfinance bank differs from MF institutions ?				
8	Does your MF bank empowers men ?				
9	Vulnerable group are beneficiaries of Microfinance ?				
10	Poverty reduction cannot be				

	achieved without changes in income ?				
11	The best method in reducing poverty is to establish MF ?				
12	Poverty is caused by law income ?				
13	MF loan assist in employment creation ?				
15	Establishing MF bank is aimed at tackling poverty menace				
	TOTAL				

Table 3.1

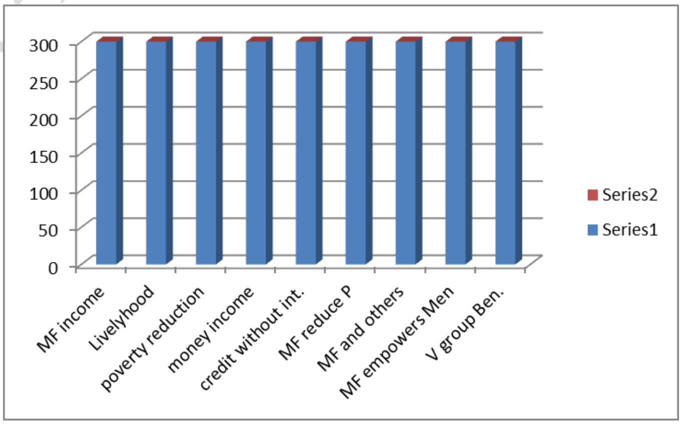
IV. DATA PRESENTATION AND ANALYSIS

Data collected was analyzed based on the proposed table, 15 administered questionnaires was distributed, 300 copies of answered questionnaire was received and analyzed using percentages and discussions.

SN	Micro finance Income (QUESTIONS)	Yes	%	No	%	Discussion
1	Does MF provide income through loan?	300	100%	0	0%	300 MF beneficiaries answered yes, believing that the bank provide loan for entrepreneurship development
2	Does MF income enhance livelihood?	300	100%	0	0%	300 beneficiaries responded positive Yes, concurring that MF do enhance empowerment for livelihood sustaining
3	Does MF consider income as poverty reducing agent?	300	100%	0	0%	300 MF beneficiaries responded yes, affirming MF is poverty reducing agent
4	Does MF loan distribute non monetary income?	300	100%	0	0%	Beneficiaries of unimaid MF responded financial laon than non financial items
5	Have you ever received credit without interest?	300	100%	0	10 0%	Beneficiaries responded charges instead of interest.
6	Does MF income reduce level of poverty for women and youth?	300	100%	0	0%	Women are most vulnerable in the north east as a result of been widow, women do benefit loan
7	Microfinance bank differs from MF institutions?	300	100%	0	0%	MF target the poorest people with limited income than conventional bank
8	Does your MF bank empower men?	300	100%	0	0%	Men benefit loan income from the financial year
9	Vulnerable group are beneficiaries of Microfinance?	300	100%	0	0%	300 responded similar answers, women, les previlages and disable are the target
	POVERTY ALLEVIATION					
10	Poverty reduction cannot be achieved without changes in income?	300	100%	0	0%	Priority of MF loan is monetary aspect, beneficiaries aim to increase their capital
11	The best method in reducing poverty is to establish MF?	300	100%	0	0%	Objective of micro finance is to assist in non conventional banking intervention at the grassroots, 300 beneficiaries answered yes.
12	Poverty is caused by law income?	300	100%	0	0%	Beneficiaries answered yes, low income level is synonymous with poverty stage
13	MF loan assist in employment creation?	300	100%	0	0%	300 answered yes, those who benefited during the financial year do engage in self business establishment.
15	Establishing MF bank is aimed at tackling poverty menace?	300	100%	0	0%	300 respondents answered yes, because the purpose of MF institution is to tackle poverty.

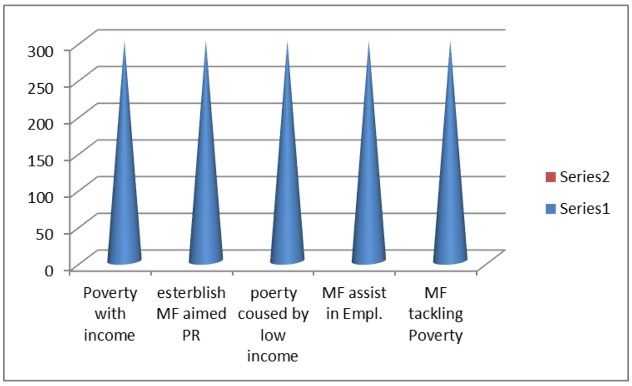
Source: Field study 2019

Table 4.1



Source: Field Study 2019

Chart 1: Microfinance Loan Enhances Beneficiaries Income



Source: Field Study 2019

Chart 2: Microfinance Loan reducing poverty

CONCLUSION

- ✓ The materialization of microfinance bank institution in the country positively contributed to the reduction of poverty in the study area. Beneficiaries' income was observed to be adequate aimed at enhancing the reduction of poverty in the state.

RECOMMENDATIONS

- ✓ There is for proliferation of Microfinance institutions within the state of the country for non benefiting members of the community to benefits microloan in order to boast the economic activity within the state.
- ✓ Government should solicit collaborative partnership with other nongovernmental organization to fashion out possible ways on how to tackle poverty in addition of existing microfinance institutions and other non financial institutions.
- ✓ Microfinance bank with licensed authority should issue credit facilities to beneficiaries devoid large capital or collateral requirement.

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