Innovations

Effects of microfinance banks' services on small and medium sized businesses in developing economies on poverty alleviation: the case of Nigerian

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Abstract
The study investigates the effect of Microfinance Banks Services on Small and Medium Scale businesses towards poverty alleviation in developing economies. The study focused on the nexus at which microfinance institutions, small and medium scale businesses helped in alleviation of poverty. Primary data was elicited through a well structured questionnaire drawn to elicit information. The study applied total enumeration sampling technique to select 400 respondents from 23 states in Nigeria that made up the research's sample size. The selected sample was submitted to percentage analysis and descriptive analyses of percentages and frequencies. that made up the research's representative sample. Based on the analysis of the study, the results establish significantly that agricultural productivity and forestry is a medium for poverty alleviation in rural and semi- urban areas with the participants in five researched question agreeing to the facts with highest respondents of an average of 319.4 participants (85.2) percent out of 375 actual sample sizes. Furthermore, microfinance banks on different services rendered such as granting loans without stringent collaterals to small and medium scale enterprises enhances their patronages and availability of funds for itinerants investors and diversification of the economy. This was attested to by the respondents agreeing at 363.25 participants (96.9) percent. The result on government policy on poverty alleviation also connotes that the type of policy put in place determines the actualisation of poverty reduction, as it tends to increase job creation, good economic planning and commitment to continuity in government with 360.75 (96.2) percent. Lastly, the study provides exact proof that support the contribution of small and medium scale enterprises towards poverty alleviation through job creation for the masses, employment of the unskilled labour with the respondents agreed to the four research question in the questionnaire at 331.25(88.3) percent. The study reasoned that government and its agents should commit vigorously to agricultural research. Government and notable citizen should support microfinance banks in its services to grant credit to agriculture and other sectors so as to create more jobs, boost their productivity and alleviate poverty.

Keywords: *Microfinance banks, small and medium scale businesses, Credit, Poverty alleviation*
Gel classification: G21, G33

1.0 Introduction

All over emerging countries worldwide, huge percentages of the population lives in rural area and are poor. Though the people were involve in agriculture and micro - enterprises which constitute an informal sector. However, this sector of the economy require credit and financial services which would enable the economically active poor and micro enterprises to leverage their initiatives towards speeding up the process of generating revenue and financial stability. However, micro enterprises (SMEs) have potentials for wealth and employment creation towards alleviating the masses from poverty level. Moreover, microfinance banks' and small and medium scale businesses forms the bedrock of alleviating people from poverty with regards to the financial services and non- financial services the institutions and micro – firms renders. Small and Medium Scale Enterprises (SMEs) form the largest share of business undertaking in many developing economies like that of Nigeria and are recognised to be the bedrock for economic growth and development. The SMEs facilitate and enhance employment generation, induce industrialisation and development to rural communities with the use local material resources and redistribute income among the local poor.

One of the important role of micro financing is to achieve the goal of *''Sustainable Development Goals of United Nations which is to put an end to poverty in all forms and everywhere''* (United Nations, 2015) this is where microfinance banks gets involve with moderate men and women face significant barriers when trying to use official financial institutions for financing. Regular financial intermediation is frequently insufficient to enable people to engage; hence MFBs have been crucial instruments for bridging the gaps brought up by poverty, sexism, ignorance, and isolation. Access to financing is seen to be a key element in improving the performance of small and medium-sized businesses. Credit is believed to enhance income levels, boost employment, and so reduce poverty. It is thought that having access to credit helps low-income individuals get beyond their financial obstacles and make investments like upgrading farm new tech components, which boosts agricultural output. The primary goal of small and medium-sized business lending by microfinance banks is to increase the welfare of the underprivileged so that they may receive microloans that are not provided by traditional financial institutions thereby alleviating poverty and promoting economically secured life. Microfinance services tend to stabilise and then increase income level coupled with the standard of living among the rural dwellers.

Moreover, Poverty is an important phenomenon that has varying effects on people, regions, and continents; it is connected to the inexistence or in - affordability of basic social, economic, cultural and political benefits. It should be noted that poverty is connected to inadequate shelter; poverty is also related to being severely ill and unable to afford the fee of seeing a doctor thereby losing a kid or family to sickness caused by contaminated water and environment. Poverty is not being able to go to school that exists in your community or environment thereby denying individual having the ability to read or write. Having no employment is a sign of poverty as well.

According to the World Bank in 2007, poverty is the absence of fundamental necessities for survival. It also includes having insufficient means of support, resources, and the inability to meet the requirements for nourishment, health, and social interaction. Holistically, poverty is lack of adequate basic necessities of life to enjoy the comfortability in individual domain ranging from income poverty to meet basic needs, starvation, lacks of shelter, clothing and affordability of medical care which leads to deprivation of good standard of living in the society or community.

Statement of problem

Despite the focus and attention that different levels of groups both in the government and beyond it have given to SMEs and the efficiency of microfinance banks services their performances and contributions towards alleviating the poverty level of average citizens in developing countries are abysmal and absolutely low. Their low performance has worsened over the years due to some factors chief among which is credit inaccessibility from deposit money banks, poor fund management; the embezzlement of project funds,

misallocation of resources is the reason why developing countries have been ranked as the world's centres of poverty by a number of foreign organizations. These are the most impeding factors militating against the performance of SMEs and microfinance banks services all over the developing world and this seems to be more prominent. The few that have access to fund are often confronted with a catalogue of challenges such as low level of awareness campaign about the availability of such fund compounded by the exorbitant interest rates, long lag between when request for loan is made and the actual time funds that it is made available and the short time frame for repayment of such loans and advances extended to the sub sector by the financial institutions. Moreover, other indecencies in the wheel of progress of SMEs and microfinance services are inadequate and inefficient and experienced credit staff, high overheads cost, loan repayment problems, internal control deficiencies and high level of illiteracy among the rural dwellers. The aforementioned factors influenced the high pace of failures of the SMEs and MFBs which is now a matter of great concern in most of the developing economies. These factors are the poison that out of every newly established business survive or growth, The SME sub sector and microfinance services which ought to lift poor people out of the poverty line has continued to baffle many scholars which prompted some of them to engage in studies in order to uncover the misery behind the low performance of the sub sector and their low contributions to the gross domestic products (GDP) of most of the developing economies globally.
However one is prompted to ask whether the introduction of Rural Banking Programme, Family Economic Advancement Programme, National Poverty Eradication Programme, Microfinance Banks (Community Banks, People Bank of Nigeria e.t.c.) does not assist in poverty alleviation in developing economies with the reality on ground that poverty keeps increasing. Does the economically agile and active but poor people target of microfinance banks actually have access to microfinance financial services? Despite various scholars' research on the subject matter, poverty level is still alarming; some scholars affirmed that microfinance banks are suitable instruments for poverty reduction, while others disagree. In the study Kimotho (2007) final submission was that MFIs remains relatively low in Nigeria compared to South Africa. In Asemelash (2003) study of Ethiopia, the findings reveal that Microfinance institutions have a favourable effect on the poor. The study of Kithinji (2002) in Kenya, the result outcome showed that with the increase in financial institutions the institutions remain unstable, the findings established focus shifts from the really poor to the poor businesses. The really poor have been completely left out, defeating the original purpose of microfinance to reduce poverty. Though most of the review carried out neglected the composite effect of microfinance bank services and small and medium scale enterprises in their study towards poverty alleviation. This necessitates further research to be conducted in order to validate, refute or hybridise the findings of the previous studies and carry out a composite impact of microfinance services contribution and small scale enterprises on poverty alleviation in developing economies. Not that alone, this study is motivated to examining to what extend the combination of microfinance banks' services and SMEs have impacted on poverty reduction in developing countries.

Research Questions

To determine how microfinance bank services affect small and medium-sized businesses, the following core study questions were posed towards poverty alleviation in developing economies and stated thus:

- To what extent does agricultural productivity and forestry act as a medium for poverty alleviation in developing economies
- To what extent does microfinance banking sector credit to small and medium scale enterprises alleviate poverty in emerging economies
- To what extent has government policy impacted on poverty alleviation and
- What has being the contribution of small and medium scale enterprises towards reducing poverty in emerging countries' economy

Objectives of the Study

The broad objective of this study is to ascertain how microfinance banks' services affect small and medium-sized businesses towards poverty alleviation in emerging economies.

2.0 Review of Related Litrature

2.1 Concept of microfinance banks

Due of the typical person's incapacity to obtain financing, microfinance banks were created for poor masses access to bank loans due to lack of required collaterals this constitutes a great setback for entrepreneurial development. In this study, a microfinance bank is defined as any business that has been granted a license to engage in the role of helping microfinance services to the economically active poor, micro-enterprises, and small and medium-sized businesses that need to operate or expand their businesses. These services include savings accounts, loans, domestic fund transfers, and other services. Micro finance banks are financial institutions that have entire flexible structure of and delivery of financial and other facilities to micro business owners in order to help them maintain their operations. It refers to giving a small sum of money to struggling businesspeople or investors to facilitate it business growth and development in order to create an avenue towards reducing poverty by making flexible resources available to those with less privilege and the destitute.
A microfinance institution promotes businesses, draws in various donor organizations, increases savings in the economy, and speeds up economic growth. Through MFIs, the poor could borrow loans without collaterals at very low interest rates and utilize the funds, among other things, to improve housing, finance the education of children, and launch small companies owned by the underprivileged. MFIs have created a variety of financial services, including as micro-insurance and micro-mortgages, in addition to financial inclusion (small loans to the poor), to meet the needs of the underprivileged. With the goal of helping the needy, financial services are offered and tiny sums of money are managed through an array of options. It can be stressed further that microfinance came into being from the appreciation that small business operators and some poorer clients if given the loan will make repayment of the financial services are customized to their needs, they can pay the principle and interest on time and save money as well.

Concept of small and medium scale businesses

Small and medium-sized businesses (SMEs) are independent, non-subsidiary companies with fewer employees than a predetermined threshold. Various nations have different values for this number. 250 workers is the most popular upper limit for identifying a SME. Businesses that keep sales, assets, or a particular number of workers below a certain threshold are known as small and mid-size companies (SMEs). Each nation has its own definition of a small- and medium-sized business (SME). Certain size standard must be met and sometimes the industry in which the company operates in is taken into account as well. SMEs are important to the economy since they hire a huge number of people and contribute to the development of ideas. Governments frequently provide incentives, such as preferential tax treatment and easier access to loans, to assist keep them in operation.
The importance of small and medium scale businesses is very significant since they have the potential to more effectively encourage the use of indigenous firms than any other approach, they constitute the most trustworthy and authentic vehicle for self-sustaining industrial growth. It can be established that small businesses represent the subsector of special attention in any serious and important program for economic transformation that aim at job creation, poverty reduction, food security, rapid industrialisation and checkmating rural-urban migration. Furthermore, strong economic productivity cannot be accomplished without implementing certain well-targeted programs to eliminate poverty by giving people more access to the production components they need, particularly finance.
In Nigeria context, SMEs varies over time from one organisation to another. The Nigeria government had

employed a variety of standards and categories to categorize micro and small businesses. Sometimes, it used the amount of resources committed to the initial investment and profitability were utilised, together with machinery, equipment, and working capital, at a different time.
In addition, USAID characterized companies in 2005 as informal sector with five or fewer employees, including unpaid family labour, small businesses with five to twenty people functioning in the formal sector, and medium-sized businesses with 21 to 50 employees. Banks believe that SMEs in underdeveloped nations are too unstable to invest in. The FIs view SMEs as having a significant risk of default because of this volatility, and doing so comes at a substantial cost to them. The ineffective management and accounting procedures, combined with the fact that small businesses are typically run by private whose personal lifestyles may have significant effects on the operations and self sufficiency of such businesses, make it difficult for smaller businesses to secure financing.

Microfinance Banks' Services, Methods and SMEs in Nigeria

The level at which SMEs relate with microfinance banks and its' services, Government, NGOs, other content providers, and even other service providers can have a significant impact on poverty reduction in developing nations is monumental. The capability of SMEs to offer the necessary education, incentives, employment, and capital is a major factor in the ability and desire of small enterprises to assist to poverty alleviation goals.
Microfinance banks' financial service (credit) is one of the most prominent of the ways by which soft credit are access by clients without being required to provide actual assets as security or collateral. These customers are primarily illiterate or only marginally literate, and they typically reside in rural and semi-urban areas. Because they do not view these tiny informal companies conducted by the impoverished and uneducated as lucrative endeavours, traditional financial institutions frequently refuse to offer these services to them. They often ask for modest loans, but the financial institutions have trouble getting information from them since they are either illiterate or unable to communicate or because it is difficult for them to access their securities (farms) because of the distance and bad road networks.
As a result of this, the cost of extending credit facilities to them could be enormous and there might be no valuable security to support the credit this is the junction at which microfinance services and methods comes into place. Microfinance banks' services are broadly classified into financial services and non-financial services. In this study, microfinance banks' financial services are financial services such as savings, credit, leasing, insurance and cash transfers and the non-financial services rendered by Microfinance Banks include business education, health education, training; pre-loan training, consultancy service, advisory services, group membership and cross guarantee ship e.t.c.
The various methods of microfinance that have evolved over the years can be broadly grouped into formal and informal methods. Formal method is built around formal financial institutions while Informal method is built around group concept.
The formal method includes: Community Banks (Microfinance Banks) i.e. Micro-Finance Banks (MFBs) are financial institutions that have state- and unit-level operating licenses. The Public Sector Poverty Alleviation Agencies [National Poverty Eradication Programme (NAPEP) and Small and Medium Enterprises Equity Scheme (SMEETS)] and Non-Governmental Organization Micro Finance Institutions (NGO - MFIS). The informal methods includes: Money lenders and shop keepers, the linkage method and donor's method/ donor agencies. The Esusu method [Esusu is seen as a cyclical loan program in Nigeria and used as an informal microcredit program in the majority of West African nations. In this method of micro financing, members contribute a certain amount at regular periods. As opposed to the Grameen model, this one member gathers all of the funds at each time.]. There are some government special microfinance schemes

2.0 Empirical Framework

Muhammad. A. I., Ayesha. K., Muhammad F. K., Insiya .A. (2022) investigates Pakistan as a case study for the effect of microfinance on small and medium company growth.The study looked into the effects of acceptance to support small- and medium-sized business development and research to determine the immediate effect. The study included examples drawn from surveys of 250 SMEs. The reasonable model was used consisting of three elements of openness, use and quality. The micro finance proficiency was used as explained variable while measurement information, aptitudes, demeanour and conduct was used as explanatory variables. A descriptive and regression approach was carried out with Statistical Package for the Social Sciences (SPSS). The findings of this study support the idea that microfinance has a role in the relationship between acceptance of support and the growth of SME's.

Fapetu, O., Adewale E. A., & Azeez B. A. (2021) examines the effect of Deposit Money Banks (DMBs) in reducing poverty in Nigeria it aim on microfinance banks in Nigeria Using the Autoregressive Distributed Lag (ARDL) method the result outcome shows that the loan terms from microfinance banks at the moment and an interest rate lag of one cycle have a favourable and meaningful effect on poverty level. The present term of interest rates and the current term of entry to microfinance banks have a beneficial but little impact on the degree of poverty. The present term of deposits obligations of microfinance banks and the one-period lag in access to those banks' services have an inverse and negligible impact on the degree of poverty.

Hyginus I. I. (2021) investigates in Nigeria, microfinance credit growth and poverty alleviation, the research aim is to establish the impact of microfinance bank lending on poverty reduction in Nigeria. The research employed expost facto design and secondary data sourced from CBN. Econometric approach such as unit root and autoregressive distributive lag was employed for the analysis. The result findings reveals that microfinance bank lending to the various sectors had no meaningful impact on poverty reduction in Nigeria in the short run but had meaningful impact in the long run.

Nwakoby C.I, and Ogochukwu.O (2021) examines the importance of Microfinance banks in poverty reduction mostly in Anambra State. The research makes use of descriptive survey approach and the findings showed that MFBs assists towards poverty alleviation in the studied survey area.

Godwin. C. O. (2010) the study focuses on identifying the key elements that contribute to poverty in Nigeria and examining the role that microfinance programs have had in reducing poverty in the country. The study made use of regression analysis on a quadratic equation model. The results demonstrated that when microfinance credit grows, poverty is growing during the take-off stage but at a slower rate. The second phase found that regular increases in microfinance loans reduced Nigeria's poverty index and hence the country's level of poverty.

Gap in Extant Literature

Poverty is as old as man and has been seen as foe of progress in an individual, it is imperative to curtail it before it ends nations am making different developing countries beggars from developed nations. Among the tools of checking poverty in developing nations are spelt out on structured questionnaire to obtain possible solution to the cankerworm. Literatures have it that different tools have been used in empirical research separately, however has not gotten successive joint (microfinance bank services, small and medium scale business) usage which this study consider quintessential. However, where a couple of these tools have been utilized, there is scanty exertion in Nigerian which is the bedrock of this study. Poverty exist in each association, as such, rural settings, semi-urban settings and even in slums in larger cities is not exclusion. Subsequently, the need to investigate the effect of microfinance banks' services on small and medium scale business and poverty alleviation in developing economies becomes a worry to the study. Recent literature neglects the composite effects of microfinance banks' services, small and medium scale business towards poverty alleviation like the work of Muhammad *etal* (2022) focuses on economic growth neglecting the citizenry in abject poverty in rural areas, also, the study of Fapetu *etal* (2021) studied deposit money banks and poverty reduction neglecting the importance of microfinance banks and small and medium scale business who are the drivers of the growth.

3.0 Methodology

3.1 Research Design, Population and Sample size

The research employed a survey research strategy which was based on the allowance of questionnaire to evoke information from the respondent. The design of survey research makes it possible to get precise and true data. The questionnaire contained different close-finished questions. In gathering the information for the study, questionnaire was administered among selected respondents (Traders, Artisans, Tailoring, and Farmers e.t.c.) in Nigeria. The populace for the study covered 23 States in Nigeria and the population consisted of 19600 (Nineteen thousand six hundred) participants. The study applied total enumeration sampling technique to select everyone in the selected states in Nigeria this was to ensure proper representation and gender equalities as enunciated in appendix 1

From appendix 1, the total number is 19600 participants. Using Yamane Taro (1967) formula to derive the sample size:

$n = N/1 + N\ (e^2)$ …... 1

Where n = sample size; N = population; e = level of precision or sampling error and this is 5%

The study population is 19600, the sample size therefore will be:

$n = 19600/1+19600\ (0.05)^2$

$n = 19600/19600\ (0.0025)$

$n = 19600/49 \Rightarrow n = 400$

The sample size (n) for participants is 400.

3.2 Description of Research Instruments

A questionnaire with a solid organizational framework served as the study's tool. This was appropriately moderated by the researcher. Because surveys are conducted in natural settings, using a questionnaire for survey research was the ideal method for gathering data. This boosts the study's objectivity. Based on knowledge and experiences gleaned from a survey of the literature, the questions were created. Without revealing their identity, questionnaires were given to the respondents to answer. The primary data included information that was taken through surveys that asked respondents to mark the proper answer next to a question in order to provide a precise response. These questionnaires were given to respondents from different states. Sections A and B of appendix 11 provide a breakdown of the structured questions that were included in the questionnaires.

3.3 Validity and Reliability of Research Instruments

The designed interview made reference to these four areas to verify the reliability of the instruments of agricultural and forestry, banking sector, government policy and small and medium scale enterprises so as to guarantee its suitability, usefulness, clarity, and dependability.

3.4 Primary Data and Data analysis

The primary data was elicited through questionnaire drawn to elicit information. The gathered information was processed to percentage analysis and descriptive statistics of frequency counts. A thorough analysis of the data was conducted, with a focus on the usage of absolute numbers, frequencies (Frq), and percentages of replies (Per). By comparing the percentage of respondents who responded to each statement in the questionnaire that was relevant to any given subject being evaluated, the research questions were answered. While percentage relates to the organization of the replies in order of their proportion, frequency in this study refers to the placement of the responses in order of quantity or occurrence. The simple percentage approach is seen to be basic, comprehensible, and easy to comprehend. Section A and B in Appendix 1 and II shows the copy of structured questionnaire and states used in this research study.

3.7 Limitation of Methodology

The study is limited to the effect of microfinance banks' services on small and medium scale businesses towards poverty alleviation in developing economies. The study experienced a slow response from the respondents who because of tight schedule complained about the length of the questionnaire distributed. This however was mitigated by having constant follow up by paying physical visits to the respondents' location to collect questionnaire responses. The most volatile states in the Northern part of Nigeria were excluded due to security and safety concern of the researchers in those states.

4.0 Results and Discussion

4.1. Response Rate of Questionnaire

Table 1 displays the percentage of participants that returned the four hundred (400) copies of the survey that were sent out to potential respondents.

Table 1: Response Rate of Questionnaire

Respondents	Number Circulated	Number Returned	Number Utilized	% Rate response
Respondents from 23 states in Nigeria	400	375	375	93.8%
Total	**400**	**375**	**375**	**93.8%**

Source: Author's Computation, 2021 field survey

The researcher was able to achieve 93.8% of the sampled survey due to the awareness earlier created to the participants in their respective group created in zones while conducting the field research for the study.

Presentation of Results and Discussions

The outcomes of the report's findings are tabulated and described as follows:

To achieve research question one of the study, which states to what extent does agricultural productivity and forestry acts a medium for poverty alleviation in developing economies

Table 2: Results of agricultural productivity and forestry impacted on poverty alleviation

S/N		Strongly Agree	Agree	Neutral	Disagree	Total
		(Frq)Per	(Frq)Per	(Frq)Per	(Frq)Per	
1	Low agricultural production because of drought affects agriculture and this induces poverty	300(80%)	75(20%)	00(0%)	00(0%)	375(100%)
2	Non availability of modern agricultural equipments enhances poverty in developing economies	255(68%)	112(30%)	8(2%)	00(0%)	375(100%)
3	Crude mode of transportation of agricultural products leads to wastage enhances poverty	265(70.7%)	110(29.3%)	00(0%)	00(0%)	375(100%)
4	Lack of quick exchange of agricultural products and low prices for agricultural products enhances poverty	305(81.3%)	70(18.7%)	00(0%)	00(0%)	375(100%)
5	Lack of fertilizer reduces farm yield for agricultural products encourages poverty	150(40%)	185(49.3%)	00(0%)	40(10.7%)	375(100%)

Findings in table 2 above shows that 375 (100%) of the participants agreed that low agricultural productivity enhances poverty because drought affects agricultural produce. A lengthy period of drought impacts on livestock which leads to poor productivity, poor animal health, and livestock death, even with poor agriculture harvest on maize, millet, and wheat e.t.c. will signal poverty increase if not abated. Furthermore, 367 (97.9%) also agreed that Non availability of modern agricultural equipments enhances poverty in developing economies; hence the use of crude implements of agriculture is still in practice in rural areas. Moreover, 8 (2%) of the respondents remain neutral and indecisive on the subject matter. Furthermore, 375 (100 %) of the respondents agreed that crude mode of transportation of agricultural products from farms to hinterland leads to wastage which enhances poverty. Most of the rural areas farmlands are inaccessible due to muddy road, gully erosion on the route to farmlands where agricultural products are to be transported to cities. However, 375 (100%) of the respondents agreed and indicate that lack of quick exchange of agricultural products and low prices for agricultural products enhances poverty through wastage and lack of adequate storage facilities these wastages is due to perishable nature of the agricultural products. It is of the belief that if there is quick and reasonable price modalities for agricultural products during the harvest season it will lead to poverty alleviation to farmers and traders of agricultural products thereby derive benefit from investment funds, facilitating the survival and welfares of members to enable them live a long, better life devoid of agony and long sufferings. In addition, 335(89.3%) of the respondents agreed and were of the belief that fertilizer improve farm yield of agricultural products hence lack of fertilizer reduces farm yield of agricultural products which has a negative effect poverty. While 10 (10.7%) disagree with the opinion that agriculture still thrives well without fertiliser, mostly in fertile rain forest or land that had fallow for long.

To achieve research question two of the study, which states does microfinance banking sector credit to small and medium scale businesses alleviate poverty in developing economies

Table 3: Results of microfinance banking sector credit to SMEs alleviates poverty

S/N		Strongly Agree	Agree	Neutral	Disagree	Total
		(Frq)Per	(Frq)Per	(Frq)Per	(Frq)Per	
1	Has granting of microfinance loan to SMEs impacted on poverty alleviation	150(40%)	200(53.3%)	5(1.33%)	20(5.3%)	375(100%)
2	Has the regulatory guidelines of Microfinance banks assist lending to agriculture and forestry sector	180(48%)	183(48.8%)	10(2.6%)	2(0.5%)	375(100%)
3	Microfinance financing to transport sector and commerce has assisted individuals who cannot afford taken loan	185(49.3%)	180(48%)	10(2.6%)	00(0%)	375(100%)
4	Availability of credit to start/expand own business to create employment/job opportunities towards poverty alleviation	295(78.7%)	80(21.3%)	00(0%)	00(0%)	375(100%)

Table 3 shows that 350 (93.3%) of respondents agreed and believe that granting of microfinance loan to SMEs impacted on poverty alleviation. The availability of such (loan) funds enables the petty traders in rural locations and semi- urban locations have access to finance their business operations and such funds is also beneficial to SMEs who engage different professionals. 20 people (or 5.3% of the total) disagree, while 5 participants (1.3%) are indifferent. However, 363 (96.8%) of the respondents agreed with the view that the regulatory guidelines of microfinance banks operation assist lending to agriculture and forestry sector, this enables the farmers have access to funds to purchase quality seeds, farm equipments and chemicals for farm use towards high yield. Such loans to agricultural sector acts as a booster to young school levers to engage in agriculture. Also 10 (2.6%) of the respondents are neutral with the view that there are inconsistencies government guidelines and regulation. Moreover, 2(0.5%) of the respondents disagree out rightly that it is going to increases debt profile of potential farmers.

Furthermore, 365 (97.3%) of respondents agreed with the opinion that microfinance banks financing transport and commercial sector has assisted individuals who cannot afford taken loan thereby partner with MFBs who finance the purchase such equipment, vehicles, tricycle for their uses and repay instalmentally while 10(2.6%) of the respondents were neutral and indecisive. To cap it all, 375(100%) of the respondents agreed with availability of credit to start/expand /own business towards creating employment/job opportunities which tends to alleviate poverty in developing economies when people are engaged at work.

In order to achieve research question three of the study, which states to what extent has government policy impacted on poverty alleviation

Table 4: Results of government policy on poverty alleviation

S/N		Strongly Agree	Agree	Neutral	Disagree	Total
		(Frq)Per	(Frq)Per	(Frq)Per	Frq)Per	
1	Has government policy on job creation alleviates poverty within the society if job is secured	180(48%)	180(48%)	10(2.6%)	5(1.3%)	375(100%)
2	Has government policy on provision of storage facilities discourages harvest wastage	160(42.7%)	195(52%)	15(4%)	5(1.3%)	375(100%)
3	Has government economic planning and implementation enhances poverty reduction	172(45.8%)	193(51.5%)	3(0.8%)	7(1.9%)	375(100%)
4	Does changes in government affects changes in economic policies towards poverty alleviation	205(54.7%)	158(42.1%)	2(0.5%)	10(2.7%)	375(100%)

Results in table 4 indicates that 360(96%) of the participants agreed with the opinion that government policy on job creation alleviates poverty within the society if job is secured while 10 (2.6 %) of the respondents are undecided or neutral and 5(1.3%) of the participants disagree. In spite of this, 355 (94.7%) of the participants agreed and were of the view that government policy on provision of storage facilities discourages harvest wastage, this encourages the farmers to send their excessive produce to government storage centre. While 15(4%) of the participants were neutral and indecisive a total of 5(1.3%) disagree. Furthermore, 365(97.3%) of the participants agreed that government economic planning and implementation enhances poverty reduction in the various programmes introduce towards poverty alleviation, 3(0.8%) of the respondents remain neutral while 7(1.9%) of the participants disagree. On the issue of whether changes in government affects changes in economic policies towards poverty alleviation 363(96.8%) of the participants agreed to the fact. However, 2(0.5%) were neutral on the question raised while 10(2.7%) disagree in view that new government will tend to introduce new policies and agenda which may not favour the implementation of existing poverty alleviation programme.

In order to achieve research question four of the study on the contribution of small and medium scale enterprises towards poverty alleviation

Table 5: Results of contribution of small and medium scale businesses towards poverty alleviation

S/N		Strongly Agree	Agree	Neutral	Disagree	Total
		(Frq)Per	(Frq)Per	(Frq)Per	Frq)Per	
1	Is the existence of small and medium scale businesses towards job creation alleviates poverty	295(78.7%)	80(21.3%)	00(0%)	00(0%)	375(100%)
2	Does the ability of microfinance banks through granting loans helps the SMEs on poverty alleviation	230(61.3%)	130(34.7.%)	10(2.6%)	5(1.3%)	375(100%)
3	Does the SMEs contribution to the service delivery to industry alleviate poverty in developing economies	145(38.7%)	120(32%)	10(2.6%)	100(26.7%)	375(100%)
4	Does poor economic planning affects SMEs performance towards poverty alleviation	130(34.7%)	195(52%)	10(2.6%)	40(10.7)	375(100%)

Table 5 reveals that 375(100) percent of respondents agreed and believe that the existence of small and medium scale businesses towards job creation alleviate poverty since various workers with different skills are going to be employ and will receive their income as wages and salaries at the end of the month. Hence this income received as SMEs workers are valuable tools for meeting their expenditure for economic sustainability which alleviate poverty.

However, 360 (96%) of the respondents agreed and were of the view that the ability of microfinance banks granting loans to SMEs operators though microfinance banks helps the SMEs on poverty alleviation due to the fact that there will be availability of fund to finance the firms towards growth and survival. In spite of this, 10(2.6%) of the respondents remained neutral and undecided on the question raised. While 5 (1.3%) disagree. In addition to this, there were mixed results on the respondents' opinions on SMEs contribution to the service delivery to industry 265(70.7%) of the respondents agreed that SMEs contribution to the service delivery to industry alleviate poverty in developing economies while 100(26.7%) of the respondents disagree on SMEs contribution to the service delivery to industry towards alleviating poverty in developing economies and 20(5%) of the respondents remained neutral. To cap it all, 325(86.7%) of the participants agreed that poor economic planning by government impacts SMEs performance towards poverty alleviation because the economic policies put in place may be in favour of SMEs that operate within the masses in rural and semi-urban areas who live in abject poverty. 40(10.7%) of the participants disagree, there view was that it was the implementation of the poverty alleviation programmes that had some hiccups while 10(2.6%) of the participants remained neutral on the question raised in the questionnaire.

4.6 Discussion of Findings

The study examines how microfinance banks' services affect small and medium-sized businesses towards poverty alleviation in developing economies. The study was a result of the need to establish the effects of small and medium-sized businesses and microfinance bank services on poverty alleviation in developing economies. The study was measured exclusively with descriptive statistics of frequency counts and percentage calculations. Based on the outcome of the study, information that is discovered as the outcome establish significantly that agriculture productivity and forestry is a key for poverty alleviation in rural locations and semi- urban locations with the participants in five researched question agreeing to this fact with highest respondents of an average of 319.4 participants 85.2 percent out of 375 actual sample sizes. The ramifications arising from the result findings is that the more the agricultural and forestry sector is supported there is absolute tendency of food security for life saving assistance toward poverty reduction among the masses. Consequently, the attributes possessed by microfinance banks on different services rendered such as granting loans without stringent collaterals to small and medium scale businesses enhances their patronages and availability of fund for itinerants investors, traders, artisans and the diversification of the economy. This was attested to by the respondents agreeing at 363.25 (96.9) percent from the four research questionnaire on the impact of microfinance banking sector credit to SMEs towards alleviating poverty as seen in table 4. The ease at which microfinance banks grants loans or credit discourages unscrupulous direct inside abuse henceforth forestalling questionable activities.

The result on government policy on poverty alleviation also connotes that the type of policy put in place determines the achievement of poverty reduction, these tends to increase job creation, adequate storage facilities, good economic planning and continuity in government. There is a likelihood of getting the masses out of poverty mostly in the impoverished rural and semi-urban areas. This was also confirm with the agreed average responses of 360.75 (96.2) percent from the four researched questionnaire in this section.

Lastly, the study provides exact proof that support the contribution of small and medium scale businesses towards poverty reduction through job creation for the masses, employment of the unskilled labour with the respondents agreed to the four research question in the questionnaire at 331.25(88.3) percent. It was also discover that there is a meaningful nexus between microfinance banks services, small and medium scale businesses aiming at alleviating poverty as all the respondents almost agree to the importance of MFBs contributions.

5 Conclusion and Recommendations

Microfinance banks services, small and medium scale businesses, micro enterprises are essential and actually a significant institution for poverty alleviation in developing economies because the institutions are closer to the grass root. Microfinance banks services, small and medium scale businesses and without a doubt the economy need critical recuperation, support tools from poisonous impact of poverty that has impacted the exhibition of Nigeria masses in the rural locations and semi-urban location, thus, the study of the impact of microfinance banks services, small and medium scale businesses as a tool to strengthen poverty alleviation in developing economies is worse studied than now. Hints from participants revealed that poverty is a disease which has a cause and a cure in any authoritative setting with the right government policies and programmes. Based on the analyses of information gathered and the understandability of results, the study established that the combination of effective and efficient agricultural and forestry drive, unhindered microfinance credit to SMEs, robust government policy commitments and the contribution of SMES **a**re all essential ingredients that can alleviate poverty from our economy and society at large. Consequent upon the findings and conclusion of the study, the researcher suggests central government and its agents should commit vigorously to agricultural research for food production and food security: Government and notable citizen should support microfinance banks in its services to grant credit to all sectors so as to create more jobs, boost their productivity and alleviate poverty. There is need for the enactment of law for the opening of more microfinance institutions in all the localities for easy accessibility to banking institutions and credit by the less privilege. The monetary authorities should make sure that microfinance institutions concentrate on the requirements of micro, small, and medium-sized businesses and keep an eye on how the loans they provide are being used to prevent loan diversion to non-productive uses.

5.1 Contributions to Knowledge

This study is remarkable contrasted with most of the existing studies on the subject in developing economies. Specifically, the study:

- jointly investigate the functions of microfinance banks services and small and medium scale businesses towards poverty alleviation which has not been reported as at the hour of documenting this research, in contrast to, different studies that considered one or two variables in the literature;

- showed how elements of microfinance banks, small and medium scale enterprises alleviate poverty
- contributed to information by focusing on composite effect of microfinance banks services and small and medium scale enterprises not at all like most studies on financial sector.

5.2 Suggestions for Further Studies

The ebb and flow research was done in Nigeria as a developing economies focusing on just 23 states. Nonetheless, increasing the quantity of samples in a similar study to cut across countries and other state in Africa, Latin America e.t.c. will help speculation of findings.

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Appendix 1

Section A: (Demographic Data) Personal Characteristics of the Respondent.

Instruction: Please answer the following questions by ticking appropriately.

1. Age as at last birthday (in years) ………..………
2. Sex (1) Male [ ] (2) Female [ ]
3. Religion: Christianity [ ] Islam [ ], Others [ ]
4. Ethnicity: Nigeria [ ] Non - Nigeria [ ]…………………………..……….......
5. Nature of Occupation: Farmer [ ] Trader [ ] Artisan [ ] Civil servant [ ]
6. Are you aware of poverty alleviation tools: Yes [ ] No [ ]
7. Have you participated in any of the poverty alleviation programme before: Yes [ ] No [ ]
8. Which medium did you hear about poverty alleviation: Radio [ ], Internet [ ], Television [ ] Cooperative society and others [ ]

Section B
Agriculture

S/N		Strongly Agree	Agree	Neutral	Disagree
		(Frq)Per	(Frq)Per	(Frq)Per	Frq)Per
1	Does Drought affects agriculture and this induces poverty				
2	Non availability of agricultural equipments enhances poverty in developing economies				
3	Crude mode of transportation of agricultural products enhances poverty				
4	Lack of quick exchange of agricultural products at reasonable prices assist poverty				
5	Lack of fertilizer reduces farm yield of agricultural products encourages poverty				

Banking Sector

S/N		Strongly Agree	Agree	Neutral	Disagree
1		(Frq)Per	(Frq)Per	(Frq)Per	Frq)Per
2	Has granting of microfinance loan impacted on poverty alleviation				
3	Has the regulatory guidelines of microfinance banks affect the lending of credit				
4	Individuals cannot afford taken loan				

Government policy

S/N		Strongly Agree	Agree	Neutral	Disagree
		(Frq)Per	(Frq)Per	(Frq)Per	Frq)Per
1	Has government policy on job creation alleviates poverty within the society if job is secured				
2	Has government policy on provision of storage facilities discourages harvest wastage				
3	Does government policy on creating three million jobs realistic towards poverty reduction				
5	Does changes in government affects changes in economic policies towards poverty alleviation				

Small and Medium scale enterprises

S/N		Strongly Agree	Agree	Neutral	Disagree
		(Frq)Per	(Frq)Per	(Frq)Per	(Frq)Per
1	Is the impact of small and medium scale enterprises towards job creation alleviate poverty				
2	Does the ability of microfinance banks through granting loans helps the SMEs on poverty alleviation				
3	Does the SMEs contribution to the economy alleviate poverty in developing economies				
4	Does poor economic planning affects SMEs performance towards poverty alleviation				