Nigerian Journal of Social Development

MICROFINANCE BANK AS A CATALYST FOR ENTREPRENEURSHIP DEVELOPMENT IN ENUGU NORTH LGA, ENUGU STATE

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ABSTRACT

The research examined Microfinance Banks as a catalyst for entrepreneurship development in Enugu North LGA, Enugu State, Nigeria. The objectives of the study were to: examine the extent to which microfinance bank saving services has improved the productivity of entrepreneurs in Enugu North LGA, Enugu State, examine the extent to which microfinance bank lending services has on the growth of entrepreneurs in Enugu North LGA, Enugu State. The research design adopted for the study was the survey research design. Data were sourced from both primary and secondary sources. The population of the study consists of 300 registered SMEs with LAPO Microfinance Bank, Enugu North LGA of Enugu State, which a sample size of 171 was determined using the Taro Yamane's formula. Chi-square statistical tool was adopted to test the hypotheses. Findings from the study revealed that microfinance bank saving services had significant positive effect on the productivity of entrepreneurs in Enugu North LGA, Enugu State with test result $\chi2$ (4,n=140) = 81.57, p<0.05; microfinance bank lending services had significant positive effect on the growth of entrepreneurs in Enugu North LGA, Enugu State. $\chi2$ (4,n=140) = 85.4, p < 0.05 The study recommended that management of microfinance banks should develop quality saving products that would encourage entrepreneurs to save more and equally have basic access to financial credits in order to increase their productive capacity, there should be an effective management, mentoring and monitoring of the microenterprises to ensure that the credits granted are utilised for the purpose intended.

ARTICLE INFO

1.0 INTRODUCTION

Micro financing, according to Conroy (2003) is the delivery of financial services to poor and low income households with limited access to formal financial institutions. Microfinance can also be described as banking for the underprivileged. Rolando (2010), states that microfinance is an excellent way of assisting entrepreneurs. It provides the underprivileged with maintainable revenue through low interest loans. It is worthy to note that the contribution of microfinance to entrepreneurship activities is increasingly being recognized as a primary engine of economic growth. By combining existing resources with innovative ideas, entrepreneurs add value through the commercialization of new products, the creation of new jobs and the building of new firms. The Global Entrepreneurs Monitor (GEM) indicates that nations with higher levels of entrepreneurial activity enjoy strong economic growth. In short, entrepreneurs are the link between new ideas and economic development. Speaking at the conference on a theme "Improving Access to Microfinance", Soludo (2008), reveals that in order to sustain increase in participation of skilled entrepreneurs in the credit and other financial service delivery to the micro, small and medium enterprises in the microfinance sub-sector, Central Bank of Nigeria (CBN) is forging ahead in its determination to develop a pool of articulate and well-focused entrepreneurs through setting up an

Entrepreneurship Development Centre (EDC) in each of the six geo-political zones in the country. The three pilot entrepreneurship development centres created have commenced operation since January, 2008 (Adeyemi, 2008). 38

The centres are in Kano (North West), Ota (Southwest) and Onitsha (Southeast). Since after that conference, many EDC has been set up by CBN in many states of the federation which was in line with the achievement of the Millennium Development Goals (MDGs) that has now been replaced by Sustainable Development Goals (SDGs). Interestingly, researchers and scholars have recognized the crucial role that entrepreneurship plays in economic development of nations, especially through the development of microfinance sub-sector. Peter and Clerk (2007), affirm that entrepreneurial development is a disposition to accept new ideas and try new methods; a readiness to express opinions, a true sense that make men and women more interested in the present38and future than in the past, a better sense of punctuality, a greater concern for planning, organization and efficiency, a tendency to seek the world as calculated faith in science and technology and finding a belief in distributive justice. The study is to know how services rendered by microfinance bank can lead to entrepreneurship development.

1.1 STATEMENT OF THE PROBLEM

Financing Small and Medium Enterprises is considered by many capital providers as a risky venture due to high transaction costs and low returns and going concern of the businesses, especially in the early stages. Despite this, finance remains a strategic resource for SME development because investments are needed for new ideas to become marketable products and services. The impression has been that lack of fund or inadequate funding is the major root cause of several SMEs unproductive activities and closure in Nigeria which is the reason why government made microfinance banks the major sources of capital provider for entrepreneurs. The bedrock of any nation's industrial development is entrepreneurial activities this can be attested with economic breakthroughs in the Asian tigers. The economic boom recorded in some of the Asian countries which is connected to SMEs have lifted hundreds of millions of people out of poverty and created tens of millions of new middle-class consumers. The role of financial institutions in development of a country is demonstrated through the crucial role that savings and credit play in economic growth. Unfortunately, traditional banks in Nigeria are reticent in offering financial services to the poor, because they are usually unable to meet their requirements. It is worrisome that despite the potential importance of SMEs in any economy, high mortality rate among established SMEs is becoming a reoccurring decimal in Nigeria.

SMEDAN 2010 reported that only 15% of newly established businesses survive the first five years in Nigeria. The ones that survive after this period usually record poor performance. Finance play a very crucial role to the growth and survival of SMEs, hence the adoption of microfinance as the main source of financing SMEs in Nigeria is pivotal because collateral is not required to access the loan. Many upcoming entrepreneurs relay on Micro finance to start their businesses and this has provided succor to them and has led to thriving of entrepreneurships in Enugu state and Nigeria in general. It is on this premise that this researchers are investigating microfinance bank as a catalyst for entrepreneurship development in Enugu North LGA, Enugu State.

1.2. OBJECTIVES OF THE STUDY

The overall objective of this study is to investigate microfinance bank on entrepreneurship development in Enugu North LGA, Enugu State, while the following specific objectives were formulated;

i. To examine the extent to which microfinance bank saving services has improved the productivity of entrepreneurs in Enugu North LGA, Enugu State.

ii. To examine the extent to which microfinance bank lending services has on the growth of entrepreneurs in Enugu North LGA, Enugu State.

1.3. RESEARCH QUESTIONS

From the statement of the problem above, the major problems which this research work aims to evaluate are captured in the following research questions;

i. To what extent does microfinance bank saving services have on the productivity of entrepreneurs in Enugu North LGA, Enugu State?

ii. To what extent does microfinance bank lending services have on the growth of entrepreneurs in Enugu North LGA, Enugu State?

1.4. HYPOTHESES

To answer the research questions posed for the study, the following hypotheses were formulated in a null form.

Microfinance bank saving services has no significant positive effect on productivity of entrepreneurs in Enugu North LGA, Enugu State.

Microfinance bank lending services has no significant positive effect on the growth of entrepreneurs in Enugu North LGA, Enugu State.

2.0 REVIEW OF RELATED LITERATURE

This aspect of the research work examined available literature on the subject matter. This is categorized into three for clarity as follows; conceptual review, theoretical framework and empirical literature.

2.1. Conceptual Review

2.1.1. Microfinance Bank

The central Bank of Nigeria (CBN) in its "Regulatory and supervisory Guidelines for microfinance Banks (MFBs)" defines MFBs as companies licensed to carry on the business of providing micro finance services such as savings, loans, domestic loans, transfer and other financial services that are needed by the economically active poor and entrepreneurs to set up and establish their business. The former United Nations Secretary General Kofi Anan (2005), observed that "sustainable access to microfinance helps alleviate poverty by generating income, creating jobs, allowing children to go to school, empowering people and entrepreneurial skills to make choices that best serve their needs". Microfinance is the provision of financial services to low income, poor and very poor self-employed people (Otero, 2000).

Robinson (2001, cited in Ogunleye, 2015) defines microfinance as small scale financial services that involve mainly savings and credit services to the poor. Over twenty years ago, microfinance simply meant the provision of very small loans (microcredit) to the poor, to help them engage in new productive business activities and/or to grow/expand existing ones. However, overtime, microfinance has come to include a broader range of services. These include mainly credit, savings opportunities, insurance and money transfers, as practitioners came to realize that the poor, who lacked access to traditional formal financial institutions, needed and required a variety of financial products to achieve meaningful improvement in their business activities. Ogunleye (2015), opinions that microfinance provides financial services to the poor, who are traditionally not served by the conventional financial institutions. He said that the three features which distinguish microfinance from other formal financial products are: 1. The smallness of loans advanced and or savings collected, 2. The absence of asset-based collateral, and 3. Simplicity of operations.

Aderibigbe, (2001), opines that in Nigeria, the formal financial system provides services to about 35% of the economically active population, while the remaining 65% are excluded from access to financial services. This 65% are often served by the informal financial sector, through Non-Governmental Organization (NGO), microfinance institutions, moneylenders, friends, relatives, and credit unions. The non-regulation of the activities of some of these institutions has serious implications for the Central Bank of Nigeria's (CBN's) ability to exercise one aspect of its mandate of promoting monetary stability and a sound financial system.

2.1.2. Catalyst

Catalyst, in chemistry, is any substance that increases the rate of a reaction without itself being consumed. Catalytic action is a chemical reaction between the catalyst and a reactant, forming chemical intermediates that are able to react more readily with each other or with another reactant to form the desired end product. In other words, catalyst is any substance that enhances another substance to perform better and form a desired end. In general, catalyst is an agent that provokes or speeds significant change or action (Blackwell Scientific Publications, 2009).

2.1.3. The Clients of Microfinance

Typical microfinance clients are low-income persons that do not have access to formal financial institutions. Microfinance clients are typically self-employed, often household-based entrepreneurs. In rural areas, they are usually small farmers and others who are engaged in small income-generating activities such as food processing and petty trade. In urban areas, microfinance activities are more diverse and include shopkeepers, service providers, artisans, street vendors, etc. Microfinance clients are poor and vulnerable non-poor who have a relatively stable source of income (Ehingiamuse, 2008). Women constitute greater proportion of client base of most microfinance providers. There are number of explanations and opinions for this disproportionate representation of women in client base of most microfinance institutions. Many practitioners are of the opinion that female clients exhibits better credit discipline than their male counterparts therefore microfinance institution seek them, and also it is believed women could be easily intimated to comply with repayment undertaking (Ehingiamuse, 2008). Experience shows that microfinance can help the poor to increase income, build viable businesses, and reduce their vulnerability to external shocks. It can also be a powerful instrument for self-empowerment by enabling the poor, especially women, to become economic agents of change (Adeyemi, 2008). By providing access to financial services, microfinance plays an important role in the fight against the many aspects of poverty (Adeyemi, 2008). For instance, income generation from a business helps not only the expansion of the business activity but also contributes to household income and its attendant benefits on food security, children's education, etc. Moreover, for women, who in many contexts are secluded from public space, transacting with formal institutions can also build confidence and empowerment.

2.1.5. Entrepreneurship

Kilby, (1971 cited in Enudu, 2019) posits that the entrepreneurship is the willingness and ability of a person to seek out investment opportunities, establish an enterprise and manage it successfully. Sulaimon & Adebayo (2000), postulated that entrepreneurship is the act or process of identifying business opportunities, organizing, and initiating a successful

business activity. They noted that the functions performed by entrepreneurs include: searching for and discovering new information; translating new information into new markets, techniques and goods; seeking and developing economic opportunities; marshalling the financial resources necessary for the enterprise; taking ultimate responsibility for management; and bearing the risk for the business.

2.1.6. Development

Sen, (1983, as cited in Udeh, et al, (2020), posits that economic development cannot be conceptualized without first invoking economic growth. This is because economic growth is a component of economic development. Therefore, economic growth is the increasing capacity to satisfy the needs and wants of the economy overtime. It is conventionally measured as the percentage rate of increase in real gross domestic product, or real GDP. Penn State University, (2008), opines that economic development can be viewed as "the process of improving the quality of human life through increasing per capita income, reducing poverty, and enhancing individual economic opportunities. Udeh, et al, (2020), argue that economic development is further defined to include better education, improved health and nutrition, conservation of natural resources, a clear environment and a richer cultural life". There are three variables of economic development.

First, structural change as defined by Matsuyama (1997) "is a complex, intertwined phenomenon, not only because economic growth brings about complementary changes in various aspects of the economy, such as the sector compositions of output and employment, organization of industry, etc but also these changes in turn affect growth" and hence can be seen through the development of an economy. Second, external influence on government, and international institutions such as the World Bank and the IMF as well as MNCs, have the potential to decrease government control in its own country causing a loss of legitimacy (Riddell, 1992).

Miller (1992), states that external influence on local governments consists of political instability and policy instability. Political instability deals with the potential or actual change in the political system and the opportunities evolving from such changes. Policy instability refers to the instability in government policies. Third, environmental conditions, which refer to "any change to the environment, whether adverse or beneficial,wholly or partially resulting from an organizations activities, products or services" (Service Canada, 2005). Udeh, et al, (2020), contended that economic development generally refers to the sustained, concerted actions of policy makers and communities that promote the standard of living and economic health of a specific area. It can also be referred to as the quantitative and qualitative changes in the economy. Such actions can involve multiple areas including development of human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy and other initiatives.

2.1.7. Microfinance and Entrepreneurship

Entrepreneurship and economic development are intimately related. Schumpeter opines that entrepreneurial process is a major factor in economic development and the entrepreneur is the key to economic growth. Whatever be the form of economic and political set-up of the country, entrepreneurship is indispensable for economic development. Entrepreneurship is an approach to management that can be applied in start-up situations as well as within more established businesses. The growing interest, in the area of entrepreneurship has developed alongside interest in the changing role of small businesses. Small entrepreneurship 40has a fabulous potential in a developing country like Nigeria. An entrepreneur who is a business leader looks for ideas and puts them into effect in fostering economic growth and development. The entrepreneur acts as a trigger head to give spark to economic activities by his entrepreneurial decisions. He plays a pivotal role not only in the development of industrial sector of a country but also in the development of farm and service sector.

The entrepreneurs need funds to bring together various factors of production such as land, labour and capital for production to take place. The take-off and efficient performance of any enterprises, be it small or large will require the provision of funds for the creation of new investment. Therefore, various forms of assistance have been designed in many microfinance institutions to promote the development of entrepreneurship. These include finance, extension and advisory services, training and the provision of basic infrastructure. According to Fashola (2008), setting up microfinance institutions was a strong commitment to alleviate poverty, raise the standard of living of the people and help to generate job opportunity. He stressed that when people are empowered and loans are made easily available to especially poor people to start small scale business, our society would be better off.

2.1.8. Entrepreneurship Development

Joseph Schumpeter's contribution to our understanding of the mechanisms of technological progress and economic development is widely recognized in the theory of economic development. He describes how the innovating entrepreneur challenges incumbent firms by introducing new inventions that make current technologies and produces obsolete. This process of creative destruction is the main characteristics of what has been called the Schumpeter mark I regime. In capitalism and democracy, Schumpeter focuses on innovative activities by large and established firms. He describes how large firms out-perform their smaller counterparts in the innovation and appropriation process through a strong positive feedback loop from innovation to increased activities. This process of creative accumulation is the main characteristic of

Schumpeter mark II regime. The extent of which either of the two Schumpeterian technological regimes prevails in a certain period and industry varies. It may depend upon the nature of knowledge required to innovate the opportunities of appropriability, the degree of scale economies, the institutional environment, the importance of absorptive capacity, demand variety and so on.

Industries in a Schumpeter mark II regime are likely to develop a more concentrated market structure in contract to industries in a Schumpeter mark I regime where small firms will proliferate.

2.2. Theoretical Framework
2.2.3. Bank capital channel theory

This theory states that banks borrowing behaviour with regards to small businesses is majorly a factor of the adequacy of capital requirement. Obamuyi (2007) stated that an alteration in interest rate can affect the capacity of banks to give out loans to small businesses. This means that increases in the rates of interest increases the cost of banks external funding, but minimizes banks' profits and capital. The propensity is for the banks to trim down their supply of loans if the capital limit becomes binding. The banks may on the other hand be more enthusiastic about giving out loans in situations when the interest rate is favourable.

2.3. Empirical Literature Review

Microfinance when properly positioned and implemented leads to accelerated growth of entrepreneurial skills and development, evidence abounds in various empirical literature in support of this statement.

Ojo (2009), carried out a research work on the 'Impact of Microfinance on Entrepreneurial Development in Lagos State, the researcher used questionnaire as an instrument of primary data collection. The sample comprises of sixty (60) entrepreneurs in Lagos State. Tables and simple percentages were used in data presentation. For clear analysis, the study centres on two broad variables: the dependent variable which is entrepreneurial development and the independent variable which is microfinance institutions. Three different hypotheses were formulated and tested using various statistical tools such as chi square, analysis of variance and simple regression analysis.

The study reveals that: there is a significant difference in the number of entrepreneurs who used microfinance institutions and those who do not; there is a significant effect of microfinance institutions activities in predicting entrepreneurial productivity; and that there is no significant effect of microfinance institution activities in predicting entrepreneurial development. The study therefore concludes that microfinance institutions world over, especially in Nigeria are identified to be one of the key players in the financial industry that have positively affected individuals, business organizations, other financial institutions, the government and the economy at large through the services they offer and the functions they perform in the economy. Alalade, Amusa and Adekunle (2013) examined the relationship and causality between microfinance bank operations and Entrepreneurship development in Ogun State, Nigeria. Survey research design was adopted and data collected through financial statement of some selected microfinance bank operators within Ogun state and the use of questionnaire to collect data from a sample of 20 entrepreneurs from each of the four zones in Ogun State. The impact of microfinance bank operations and Entrepreneurship development in Ogun State, Nigeria was analyzed using the regression analysis method. The study revealed that there is no significant impact of microfinance bank operations on entrepreneurial development in Ogun State.

Akingunola, Adekunle, Adegbesan and Aninkan (2013) determined the impact of microfinance on entrepreneurship development in Nigeria with a special reference to Ogun State. The sample of the study comprises of 300 entrepreneurs in the state while Ordinary least squares (OLS) regression method was adopted as tool of analysis. The study revealed the existence of positive relationship between microfinance and entrepreneurship development in Nigeria. It further revealed that microfinance contribute to entrepreneurial activities that can lead to sustainable development in Nigeria. Akande and Yinus (2015) assessed the role of microfinance banks on the development of small and medium scale enterprises in Nigeria. Primary and secondary data were used for the study. The instruments for primary data was questionnaire administered one hundred two (120) questionnaires to registered SMEs in Lagos State, with one hundred and four (104) found useful. The results revealed that a considerable number of people that patronise microfinance banks have the knowledge. The findings also showed that microfinance banks have positive influence on entrepreneurial development.

Taiwo et al. (2016) explored the roles of microfinance banks and institutions on small and medium enterprises and the extent to which the small businesses have benefitted from the credit scheme of the former. The study adopted primary data through interviews conducted on 15 small businesses across Lagos State, Nigeria. The study revealed that small businesses have not been given the deserved and adequate recognition that corresponds with the intensity of their contributions to economic development. The study also shows that micro financing has a huge potential for increasing the performance of small businesses through frequent contributions in microfinancing and provision of non financial services.

Akingunola et al. (2018) investigated the impact of microfinance banks on micro and small enterprises in Ogun State, Nigeria. Survey design method was used with the administration of 408 questionnaires on micro-enterprises. The findings revealed a negative nexus between intermediary financial services and small-scale businesses. The results also

showed a positive relationship between microcredit and business expansion. In the investigation of the contributions of microfinance banks to the development of small and medium scale enterprises in Damaturu, Yobe State, Nigeria, Khan (2020) administered questionnaire to 50 respondents with 41 respondents correctly filled and returned. The study analysed data through chi square tool to test the hypotheses. The findings revealed that strict borrowing conditions militate against the efforts of entrepreneurs from patronising the banks.

3.0 METHODOLOGY
3.1. Research Design
This study made use of survey design where data was collected using questionnaire and analysed with quantitative techniques. Survey design is the process of creating surveys with the goal of receiving maximum insights from survey research

3.2. Sources of Data
Sources of primary data are original and are collected first hand by the researcher for a specific research purpose of project such as questionnaire, observation and interviews, while secondary sources of data are those data, which were collected already prepared work such as books, journals, annual reports, and internet etc.

3.4. Population of the Study
The population comprised of three hundred (300) registered SMEs. These enterprises are registered with LAPO Microfinance Bank, Enugu North LGA.

Table 3.1: Population of the Study

S/N	SME Sector	Population
1	Commerce	155
2	Service	105
3	Industry	40
	Total	300

3.5. Sample Size Determination
The sample size of the study was determined using Taro Yamane's formula. This mathematical method is given as:

$$n = \frac{N}{1+N(e)^2}$$

Where
n = Sample size
N = Population
e = Error of tolerance
1 = Statistical constant
i.e N = 300
e = 5% or 0.05%
Therefore:

$$n = \frac{300}{1+300(0.05)^2}$$

$$n = \frac{300}{1 + 300(0.0025)}$$

$$n = \frac{300}{1+0.75}$$

$$n = \frac{300}{1.75}$$

n = 171

This gives a sample size of **171**

3.6. Instruments for Data Collections
Questionnaire was adopted as the instrument of data collection. The questionnaire measuring micro-savings and micro-credit was adapted from the study of Msoka (2014).

3.9. Method of Data Presentation and Analysis
The data collected were analyzed using tables, frequencies and percentages, while Chi-Square (X^2) statistical technique was used to test the hypotheses. Chi-Square is represented by the formula below:

$$\chi^2 = \frac{\sum (fo - fe)^2}{fe}$$
42

Decision Rule:

Accept H_0, if the calculated value of χ^2 is less than the critical value. Otherwise reject the H_0.

4.0 DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

This chapter dealt with the presentation, analysis and discussion of findings. The data were obtained through the questionnaire distributed to the respondents

4.1 Data Related to Research Questions

4.1.1 Research Question One: To what extent does microfinance bank saving services have on the productivity of entrepreneurs in Enugu North LGA, Enugu State?

Table 4.6: Extent of microfinance bank saving services on the productivity of entrepreneurs in Enugu North LGA, Enugu State.

Response	Commerce	Service	Industry	Total
SA	7	37	6	50
A	53	8	9	70
U	0	5	5	10
D	5	0	0	5
SD	0	5	0	5
Total	65	55	20	140

Source: Field Survey, 2022

Table 4.6 shows that 50 respondents strongly agree that microfinance bank saving services has significant positive effect on the productivity of entrepreneurs in Enugu North LGA, Enugu State, 70 respondents agree, 10 respondents were undecided, 5 respondents disagree while 5 respondents strongly disagree.

4.1.2 Research Question Two: To what extent does microfinance bank lending services have on the growth of entrepreneurs in Enugu North LGA, Enugu State?

Table 4.7: Extent of microfinance bank lending services on the growth of entrepreneurs in Enugu North LGA, Enugu State.

Response	Commerce	Service	Industry	Total
SA	36	7	1	44
A	10	47	10	67
U	8	1	0	9
D	4	0	6	10
SD	7	0	3	10
Total	65	55	20	140

Source:: Field Survey, 2022

Table 4,7 shows that 44 respondents strongly agree that microfinance bank lending services has significant positive effect on the growth of entrepreneurs in Enugu North LGA, Enugu State, 67 respondents agree, 9 respondents was undecided, 10 respondents disagree while 10 respondents strongly disagree.

4.2 Test of Hypotheses

The researcher tested the hypotheses using the chi-square statistical tool. The chi-square formula is stated thus,

$$\chi^2 = \sum \frac{(Oi - ei)^2}{ei}$$

Where

χ^2 = Chi-square

$\sum$ = Summation sign

Oi = Observed frequency

ei = Expected frequency

4.3.1 Test of Hypothesis One

The research hypothesis one sought to ascertain the extent of microfinance bank saving services on the productivity of entrepreneurs in Enugu North LGA, Enugu State? The research hypothesis one is restated in alternate form.

Hi: Microfinance bank saving services has significant positive effect on the productivity of entrepreneurs in Enugu North LGA, Enugu State.

Hypothesis one was tested using data in table 4.6

Table 4.6: Extent of microfinance bank saving services on the productivity of entrepreneurs in Enugu North LGA, Enugu State?

Response	Commerce	Service	Industry	Total
SA	7	37	6	50
A	53	8	9	70
U	0	5	5	10
D	5	0	0	5
SD	0	5	0	5
Total	65	55	20	140

Source: Field survey, 2022

Constructing the Contingency table for hypothesis one

Table 4.6.1: Contingency Table for Hypothesis one showing the observed and expected frequency

Response	Commerce	Service	Industry	Total
SA	7 (23.2)	37 (19.6)	6(7.1)	50
A	53 (32.5)	8 (27.5)	9 (10)	70
U	0 (4.6)	5 (3.9)	5 (1.4)	10
D	5 (2.3)	0 (2)	0 (0.7)	5
SD	0 (2.3)	5 (2)	0 (0.7)	5
Total	65	55	20	140

Source: Field survey, 2022

The expected frequency (ei) is given by the formula

gt

Where

rt = row total

ct = column total

gt = grand total

The degree of freedom is given by the formula (r-1) (c-1). In this table r -5 while c = 3. Therefore, (r-1) (c-1) = (5-1) (3-1) which is equal to 4x2 = 8 degree of freedom. Constructing the test statistics, we have

Oi	ei	Oi-ei	$(Oi - ei)^2$	$\{Oi - ei)^2/ei$
7	23.2	-16.2	262.44	11.3
37	19.6	17.4	302.76	15.4
6	7.1	-1.1	1.21	0.17
53	32.5	20.5	420.25	12.9
8	27.5	-19.5	380.25	13.8
9	10	-1	1	0.1
0	4.6	-4.6	21.16	4.6
5	3.9	1.1	1.21	0.3
5	1.4	3.6	12.96	9.3
5	2.3	2.7	7.29	3.5
0	2	-2	4	2
0	0.7	-0.7	0.49	0.7
0	2.3	-2.3	5.29	2.3
5	2	3	9	4.5
0	0.7	-0.7	0.49	0.7

Total			81.57	

The calculated value is equal = 81.57
The degree of freedom is given by the formula (r-1) (c-1).
In this table r = 5 while c = 3.
Therefore, (r-1) (c-1) = (5-1) (3-1) which is equal to 4x2 = 8 degree of freedom.
The level of significance is = 0.05.
The critical value at 8 degree of freedom and 0.05 level of significance is= 15.51.
Decision Rule: Reject the null hypothesis and accept the alternate hypothesis if the calculated value is greater than the critical value. Otherwise reject the alternate hypothesis.

Decision: Since the calculated value (81.57) is greater than the critical value (15.51), the researcher accepted the alternate hypothesis which states that microfinance bank saving services has significant positive effect on the productivity of entrepreneurs in Enugu North LGA, Enugu State.

4.3.2 Test of Hypothesis Two
The research hypothesis two sought to ascertain the effect of microfinance bank lending services on the growth of entrepreneurs in Enugu North LGA, Enugu State? The research hypothesis two is restated in alternate form.

Hi: Microfinance bank lending services has positive effect on the growth of entrepreneurs in Enugu North LGA, Enugu State.
Hypothesis two was tested using data in table 4.7
Table 4.7: Extent of microfinance bank lending services on the growth of entrepreneurs in Enugu North LGA, Enugu State.

Response	Commerce	Service	Industry	Total
SA	36	7	1	44
A	10	47	10	67
U	8	1	0	9
D	4	0	6	10
SD	7	0	3	10
Total	65	55	20	140

Source: Field Survey, 2022
Constructing the Contingency table for hypothesis two
Table 4.7.1: Contingency Table for Hypothesis two showing the observed and expected frequency

Response	Commerce	Service	Industry	Total
SA	36 (20.4)	7 (17.3)	1 (6.3)	44
A	10 (31.1)	47 (26.3)	10 (9.6)	67
U	8 (4.2)	1 (3.5)	0 (0.3)	9
D	4 (4.6)	0 (3.9)	6 (1.4)	10
SD	7 (4.6)	0 (3.9)	3 (1.4)	10
Total	65	55	20	140

Source; Field Survey, 2022
Constructing the test statistics, we have

Oi	ei	Oi-ei	(Oi -ei)2	(Oi - ei)2/ei
36	20.4	15.6	243.36	11.9
7	17.3	-10.3	106.09	6.1
1	6.3	-5.3	28.09	4.5
10	31.1	-21.1	445.21	14.4
47	26.3	20.7	428.49	16.3
10	9.6	0.4	0.16	0.02
8	4.2	3.8	14.44	3.4
1	3.5	-2.5	6.25	1.8
0	1.3	-1.3	1.69	1.3
4	4.6	-0.6	0.36	0.08

0	3.9	-3.9	15.21	3.9
6	1.4	4.6	21.16	15.1
7	4.9	2.1	4.41	0.9
0	3.9	-3.9	15.21	3.9
3	1.4	1.6	2.56	1.8
Total				85.4

Source: Field survey, 2022

The calculated value is equal = 85.4
The degree of freedom is given by the formula (r-1) (c-1).
In this table r = 5 while c = 3.
Therefore, (r-1) (c-1) = (5-1) (3-1) which is equal to 4x2 = 8 degree of freedom.
The level of significance is = 0.05.
The critical value at 8 degree of freedom and 0.05 level of significance is= 15.51.
Decision Rule: Reject the null hypothesis and accept the alternate hypothesis if the calculated value is greater than the critical value. Otherwise reject the alternate hypothesis.

Decision: Since the calculated value (85.4) is greater than the critical value (15.51), the researcher accepted the alternate hypothesis which states that microfinance bank lending services has significant positive effect on the growth of entrepreneurs in Enugu North LGA, Enugu State.

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS
5.1 Summary of Findings
The researchers found out the following:
1. Microfinance bank saving services had significant positive effect on the productivity of entrepreneurs in Enugu North LGA, Enugu State. χ^2 (4, n=140) = 81.51, P = 0.05.
2. Microfinance bank lending services had significant positive effect on the growth of entrepreneurs in Enugu North LGA, Enugu State. χ^2 (4, n=140) = 85.4, P = 0.05.
5.2 Conclusion
Entrepreneurs in Nigeria need access to funding for their businesses to flourish on a sustainable basis. Although, entrepreneurs promote the development of an economy, finance has been their greatest challenge to make meaningful progress. It is noteworthy that both financial and non-financial services provided by microfinance banks and institutions have greatly assisted entrepreneurs in Nigeria and have enhanced entrepreneurship development. Despite the various challenges surrounding microfinance in Nigeria, the institution serves as a key player in the financial sector that has positively impacted the life of individuals, new venture businesses, low income earners and the economy at large through the services it offers.

5.3 Recommendations
Based on the major findings, the following recommendations were made:
1. The management of Microfinance banks should develop quality saving products that would encourage entrepreneurs to save more and equally have basic access to financial credits in order to increase their productive capacity.
2. There should be an effective management, mentoring and monitoring of the microenterprises to ensure that the credits granted are utilised for the purpose intended.

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