

IMPACT OF MICROFINANCE BANKS ON BUSINESS EXPANSION CAPACITY AND PERFORMANCE OF WOMEN FOOD VENDORS IN FUTA ENVIRONMENT

Fowowe, Ayomide Samuel¹

Anifowose, Oladotun Larry²

Akindare, Shomorin³

Adedeji O Alabi⁴

¹Olabisi Onabanjo University, Ago-Iwoye, Ogun State, Nigeria

*Corresponding Email: olanifowose@futa.edu.ng

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ABSTRACT

The purpose of this study was to examine the impact of microfinance on business expansion capacity and performance on women food vendors in Federal University of Technology, Akure, Ondo State, Nigeria (FUTA) environment as well as the factors that affect the performance of women entrepreneurs. For this purpose, data was collected from women entrepreneurs in FUTA environment. The findings show that there are various barriers that imitate against entrepreneurs' development in FUTA environment. The major challenges involve, lack of collateral, high loan interest rate and lack of registration. Also, the study concluded that, micro entrepreneurs face a number of challenges. These include business risk, lack of education, family problems, high interest rate and lack of support. Despite the existence barriers for micro entrepreneurs in accessing microfinance services, among others, several Micro entrepreneurs have got their businesses growing. This suggests that there might be some factors or opportunities that have enabled some micro entrepreneurs to overcome the above-mentioned constraints and make their businesses prosperous. This could be because of their hardworking spirits, having understanding and supportive family members, required skills and technical knowhow obtained by being persistent in the business. Finally, the study concludes that lowering interest rate will improve loan provision to entrepreneurs in FUTA environment. It was established that microfinance institutions are skeptical in giving loans to not only very risky businesses but also new businesses. They are keen when assessing the creditworthiness of businesses while dealing with disproportionate information problems.

Keywords: Microfinance, SME, business expansion, FUTA, performance, Nigeria

INTRODUCTION

The prosperity and progress of a nation depends on the quality of its people. If they are enterprising, ambitious, and courageous enough to bear the risk, the society develop quickly.

Such people are identified as entrepreneurs and their character reflects entrepreneurship (Maryam, Alhassan and Nasiru, 2019). The extent of poverty in developing countries like Nigeria cannot be over emphasized (Bala, 2015). That is why the problem associated with the incidence of poverty is high in Nigeria especially among women. Entrepreneurship has been emphasized in many countries as a way of boosting economic growth and job opportunities.

Entrepreneurship was introduced as one of the responses to having a good and sustainable development in the developing countries. Entrepreneurship is important to national development, poverty eradication and employment generation. Without mincing words, it can be agreed that the basis of any nation's industrialization rests on the people's selfless ability to identify and venture into new business opportunities with the view of starting, owning and operating a business. Furthermore, investing in women capital is highly sacrosanct for increasing socio-economic and political development in emerging countries as same as they are involving to entrepreneurial activities to promote regional development and economic growth (Majumdar 2008). There is a generally accepted consensus by various scholars that women play an active and crucial role in the economic development of their families and communities but certain obstacles such as poverty, unemployment, low household income and societal discriminations mostly in developing countries have hindered their effective performance of that role (Ekpe, 2010). Micro financing is not a new concept as it has been used for a very long period as means of providing small micro credit to unemployed or low-income individuals or groups who would otherwise have no other means of gaining formal financial services.

Micro finance has proven to be effective and efficient mechanism in poverty reduction all over the world (Berger 2002; Meenu and Jai 2011). Micro financing is considered one of the tools that can be used to encourage women entrepreneurship. The primary target of microfinance is the poor women for the reason that they are relatively disadvantaged and they tend to embark on small enterprises which are typically supported with small loans (Unugbro, 2010; Idolo, 2010). According to Usaid (2000), Microfinance constitutes the facilitation of financial services to meet the needs of low income individuals such as micro-entrepreneurs, through the provision of small loans (microloans), small savings deposits (micro-savings), micro-insurance and enhancing simple payments services

required by micro-entrepreneurs and economically active poor people who cannot gain access to financial services provided by the formal sector. The loans provided are small in amount and directed for entrepreneurial ventures. The loans are collateral free and grouped based and mostly direct to women entrepreneur, generally with low interest charges or interest free with a focus on women and poor clients. The focus being shifted to women is due to their ability to handle meager amount of money profitably (Ahmad, 2010). Microfinance specialize in the lending of small amount of capital to poor entrepreneurs in order to create a mechanism to alleviate poverty by providing the poor and destitute with resources that are available to the wealthy, albeit at a small scale. According to Idolor (2012), microfinance bank is not just providing capital to the poor, but to also combat poverty at an individual level, it also has a role at institutional level. It seeks to create institutions that deliver financial services to the poor, who are continuously ignored by the formal banking sector.

Before the advent of feminist values and rage for equality, Nigerian women were into different businesses to support the home front. While majority of the men are into farming and others, fishing, the women go to market to sell the farm produces and seafood. Other businesses they are into include but not limited to basket weaving, adire, tie and dye making, hairdressing, etc. Hence, it has proven that Nigerian women are not lazy but assiduous (Fadele, 2015). A woman entrepreneur takes on tough roles to meet her personal needs in order to become economically self-reliant. Female entrepreneurs, unlike their male counterparts, apply feminist values in pursuing their businesses. Values such as multitasking, passion, patience, motivation and emotional intelligence. Resulting, most of them embark on entrepreneurial activities to support their families. However, many previous studies have shown that women entrepreneurship could be an effective strategy for poverty reduction in a country, since women are the worst hit in such situation (Ekpe, 2010).

Women entrepreneurship has attracted increasing attention in recent years in light of solid substantiation of the importance of new business creation for economic growth and development (Langowitz and Minniti, 2007). Women entrepreneurship in particular is attracting the attention of policy makers and researchers because it has been recognized during the last decade as an important and untapped source of economic growth. However we still lack a reliable and detailed picture of the economic impact on women's entrepreneurship. The need to develop women's entrepreneurship was emphasized by the Fourth World Conference on women, held in Beijing in September, 1995. The Platform for Action, Equality, Development and Peace, adopted at the conference call for specific actions to be taken by governments, Non-Governmental Organizations and international organizations among others to promote, support and

strengthen female entrepreneurship (UNIDO, 2001).

According to Ibru (2009), the sector is regarded as offering an alternative route to economic growth, especially in the context of increased poverty and unemployment, as well as the advent of economic reforms that have led to the liberalization of the economy. Micro enterprises encourage productivity and economic independence. Not only does female entrepreneurship contribute to economic growth and employment creation, but it is increasingly recognized to also enhance the diversity of entrepreneurship in any economic system and to provide avenues for female expression and potential fulfillment (Verheul, 2006). These benefits are rarely leveraged in a systematic way, however, given that female entrepreneurship talent and potential remain largely untapped in many contexts (Baughn, 2006)

LITERATURE REVIEW

Theoretical Framework

This chapter presents a review of related literature on the effects of digital marketing as presented by various researchers, scholars, analysts and authors. This chapter also provides the theory underpinning the study.

Financial Growth Theory

Financial Growth Theory advocates that financial needs and financial options change as the business grows. The theory predicts that as firm grows, it will gain access to venture capital as a source of intermediate equity and mid-term loans as a source of intermediate debt. At the final stage of the growth paradigm, as the firm becomes order, more experienced and more transparent as regards information, it will likely gain access to public equity.

Progressive Social Theory Of Poverty

Theorists in this tradition look not to the individual as a source of poverty, but to the economic, political, and social system, which causes people to have limited opportunities and resources with which to achieve income and wellbeing. Much of the literature on poverty suggests that the economic system is structured in such a way that poor people fall behind regardless of how competent they may be. Partly, the problem is the fact that minimum wages do not allow single mothers or their families to be economically self-sufficient (Jencks, 1996). The problem of the working poor is increasingly seen as a wage problem linked to structural barriers preventing poor families from getting better jobs, complicated by limited numbers of jobs near workers and lack of growth in sectors supporting lower skilled jobs (Epstein, 1997). In the view of

this theory, the problem of poverty is in the system rather than in the poor themselves, then a community development response must be to change the system. Changing the system can take place in three levels Blakely and Bradshaw (2002) as follows: From a grassroots level, change could be mobilized to support better jobs for the poor and a more effective system (Rank, 2004). For example, public pressure including unionization can increase wages and gain employment for persons systematically excluded. A second strategy within community development for changing the system involves creating and developing alternative institutions, which have access, openness, innovation, and a willingness to help the poor gain wellbeing. Finally, change can occur through the policy process. The range of federal and social policies that can be adjusted to accomplish poverty reduction include providing jobs, raising wages, expanding the safety net, assuring effective access to medical care, and coordinating social insurance programmes.

The Concept of Entrepreneurship

According to Ngehneru, et al., microfinance is a development tool that provides financial services and products to assist the very or exceptionally poor for enhancing or establishing their enterprises (2010). Ebimbowei, et al, define microfinance as the financial services provided to deprived group of people and micro-entrepreneurs for income generating activities and self-employment opportunities (2012). Microfinance is the provision of financial services to low-income, poor and very poor self-employed people (Olaitan, 20). Robinson (2001) as cited in Ogunleye (2015) defined microfinance as small-scale financial services that involve mainly savings and credit services to the poor. Financial services such as savings, credit, insurance and payment services are provided by microfinance banks to its eligible clients (Ledgerwood, 2000). In the past, 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. Microcredit means provision of small loans to very poor for self-employment project which leads to generation of income (Gutierrez-Nieto & Serrano-Cina, 2005). Microcredit can be express in these words: Micro-loan generally deliberated to help poor clients in a community in order to develop and sustain a business to enhance their family's income (Orbuch, 2011). Microcredit are programs extend small loans to very poor people for self-employment projects that generate income, allowing them to care for themselves and their families These are provided by MFIs or NGOs to that poor section of community who has lack of access to conventional financial system due to weak financial position (Abdul, et al, 2015).

However, microfinance is often misunderstood and is taken in very narrow sense of

microcredit. It is therefore important at this stage to make distinction between two basic and extensively used terms microfinance and microcredit. The Microcredit refers to the act of providing the small loan for short period whereas microfinance is the act of providing whole range of financial services such as deposits, loans, payment services, money transfers, and insurance to poor and low-income households and, their microenterprises. It is also worth mentioning here to make an important clarification that most people think that microfinance is charity from government or donor agencies provided to poor section of community. This is a wrong concept rather discouraging the poor if we take microfinance as charity. It is actually recognition for poor that they are not burden on the community rather they can play a positive role in the society to become productive member of the society by utilization of microfinance facilities provided by Micro financial Institution and will be reimbursed them after fixed period of time along with the interest amount. Thus, microfinance does not confine to financial intermediation but also to social intermediation services such as group formation, development of self-confidence, and training in financial literacy and management capabilities so it enhances the scope of microfinance sector. The microfinance users seek funds from MFIs and invest them into future opportunities in this way they enhance their income level and also become self-employed instead of searching employment opportunities somewhere else (Muogbo, et al, 2018).

Microfinance refers to loans, savings opportunities, insurance, money transfers and other financial products targeted at the poor. Ogunleye (2015) is of the opinion that microfinance is about providing financial services to the poor, who are traditionally not served by the conventional financial institutions. The profit so generated is use for business growth and portion is utilize for household needs, which results in reduction of poverty, improvement of quality of life and fostering social as well as economic empowerment of clients. According to the CBN's regulatory and supervisory guidelines for microfinance banks in Nigeria (MFBs), a microfinance bank shall be construed to mean any company registered to carry on the business of providing microfinance services, such as savings, loans, domestic funds transfer and other financial services that are needed by the economically poor, micro, small and medium enterprises to conduct or expand their businesses as defined by these guidelines. Microfinance is a particularly attractive as a tool to help poor, since it is widely seen as improving livelihoods, reducing vulnerability, and fostering social as well as economic empowerment. Its role is also vital in reduction of poverty as it paves way for employment and empowerment which leads to economic development (Rajendran & Raya, 2010).

Scholars have shown over the years that adequate credit aids entrepreneurship performances (Gatewood et al., 2004; Kuzilwa, 2005; Lakwo, 2007; Martin, 1999; Ojo,

2009). It can be agreed that credit assistance to entrepreneurs, especially women, has positive impacts in the overall income output, investment, employment and welfare of the entrepreneurs (Kuzilwa, 2005; Lakwo, 2007; Martin, 1999; Peter, 2001). To corroborate the above agreement, savings has been found to have positive effect on enterprise productivity in Nigeria (Ojo, 2009). Correspondingly, scholars suggest that credit and training should go together, however, little training has been observed over the years thereby affecting productivity (Ibru, 2009; Kuzilwa, 2005). Skill training is necessary to provide the needed entrepreneurial skill for small business start-up while business or management training provides the needed managerial competence for routine and corporate decisions (Cunha, 2007; Jill et al., 2007; Robinson & Malach, 2004; Ying, 2008).

Empirical Literature Review

Some studies in Nigeria show that micro-enterprise operators' particularly have benefited from accessing microfinance. However, little has been said about women entrepreneur. Many scholars have frowned against researching on how women can benefit from entrepreneurship and how they could aid in the growth and development of the nation. In a study conducted by Muogbo and Tomola (2018) in Anambra State in assessing "The Impact of Microfinance on Entrepreneurship Development in Nigeria, revealed that microfinance banks have not significantly impacted on the development of entrepreneurship in Nigeria. Furthermore, some of the problems that militate against the effective financing of entrepreneurs by the microfinance banks in the attainment of their objective are not fundamentally addressed thereby creating a gap.

The paper, "The Impact of Microfinance on Women Entrepreneurs in Gombe State, Nigeria" (Maryam, et al, 2019) concludes that more of the beneficiaries of microfinance banks are married women that engaged in various economic activities across the local government areas of the state. They engaged in such activities as food processing, sewing and knitting and petty trading. This had greatly reduced their poverty level to the extent that most of the beneficiaries can now take good care of their family members. More so, it was revealed that the majority of the beneficiaries got their initial capital from the micro finance given by the state government. Also, the most remarkable and impressive information recorded from the beneficiaries about the MF rendered to them is that the assistance was not refundable and it was given in batches until every woman in the group had benefited. It was found out that many of the women beneficiaries had at least, secondary school education. The researchers agree that some of the factors that affect women beneficiaries' inaccessibility to microfinance facilities include: lack of mutual cooperation, poor leadership, political influence, absence of cooperative

societies, illiteracy, being far from constituted authorities and vulnerable groups.

In Anthony's "Factors Influencing the Performance of Women Entrepreneurial Ventures in Kongowea Market, Mombasa County, Kenya" (2015), the researcher concludes that a number of variables undermine the progress of women small and medium enterprises in Kongowea market and other parts of developing economies. It is crystal clear that governments support could not be ignored as it marked creation of healthy environment to conduct business for women small and medium entrepreneurs to ensure their success. There is a pressing need to boost technical and vocational training institutes for women to ensure there is effective admission of entrepreneurial training, the curriculum should be strengthened to provide a holistic education which provides women entrepreneurs with skills in management, production, sales and marketing among others, increased access to financial services for women small and medium enterprises could be critical for economic empowerment.

METHODS

The study area of this research paper is the Federal University of Technology (FUTA) environment, Akure, Ondo State while limiting the scope to women food vendors in the environment. FUTA environment was chosen for this study due to its popularity for being the foremost technological institution with strong interest in producing bright and independent individuals in Nigeria and with it diverse national representation in her population. Entrepreneurship courses studied in FUTA entrepreneurship encourages various developmental strategies with strong linkage with the world of technology, commerce and industry.

The study population from which the sample was drawn for the study consist of food vendors in FUTA environment, Akure, Ondo State. It should be noted that as at the time of carrying out this study. Fifty food vendors were interviewed and given questionnaires.

Having selected the number of entrepreneurial firms, the study adopted stratified random sampling technique to select the number of staff from their different levels/units. For this study, stratified random sampling was used because of the nature of the population of study and the behavioural pattern of the profession that are more on ground than what is obtains in the large manufacturing firms. This work certified Cooper and Schinder (2006), criteria for usage of stratified random method namely: (a) increased sample's statistical efficiency; (b) adequacy of data for analyzing the various sub populations or strata; and the usage of different research methods and procedures for different strata. In addition, the work ensured that stratified sampling was used in

this study to ensure that the firms with their different number of staff are well represented.

In order to reliably generate data that would help the researcher for this research work, sources for this research utilized both primary and secondary data. The primary source involve in-depth interviews with women food vendors in FUTA environment as well as questionnaire administration and observation. For the questionnaire, a Likert-Scale type questionnaire was developed for the respondents sampled for this study. Likert-Scale measures the extent to which a person agrees or disagrees with the question (Creswell, 2009). The Likert-Scales and their ratings provided on the questionnaire as indicators for appropriate responses. This method broadens respondents' mind and allows them to say more on the subject matter instead of the 'yes & no answer. It is a five (5) point rating scale meant to determine the respondents' (food vendors) perception on the impact of micro financing on the performance of women food vendors in FUTA environment. The study utilized structured questionnaires that drawn from the critical variables of the study It consists of a close-ended structure of five scales which ranges from Strongly Agree (SA)(5), Agree (A)(4), Undecided (U)(3), Disagree (D)(2), to Strongly Disagree (SD)(1). The questionnaire instrument has two sections. Section A is the socio-demographic characteristics of the respondents, while Section B contains the likert-Scale question that addresses the research questions and the hypotheses. The questionnaire is a carefully structured statement or questions prepared by a researcher and administered to the respondents to obtain in writing some information. The secondary data include information that are obtained mainly from different reports, journals, related textbooks, statistical annual reports bulletins, websites and literatures, which are relevant to the theme of the study, were gathered from various sources to complement the survey-based analysis.

RESULTS

This section deals with presentation and analysis of the returned questionnaires that was administered on the impact of micro financing on the performance of women food vendors in the Federal University of Technology, Akure. Descriptive analysis was done using frequency and percentages, simple linear regression was used to examine the relationship and impact of micro-finance banks on food vendors. Mean item score analyses were also used in the study.

Demographic Characteristics of the Respondents.

It is important to consider the general characteristics of the respondents.

Table 1: Demographic Characteristics of Respondents

Variables	Frequency	Percentage (%)
Gender		
Male	0	0
Female	50	100
Year of operation		
0-5 years	28	56
6-10 years	15	30
11 years and above	7	14
Educational qualification		
SSCE/GCE	30	60
OND/NCE	15	30
HND/B.SC	5	10
M.SC	0	0

From Table 1, all the respondents are female 50(100%). Majority 28(56%) of the respondents have years of operation of 0-5 years, 15(30%) have years of operation 6-10 years while only 7(14%) have years of operation 11 years above. From the educational qualification, 30(60%) have attained SSCE/GCE, 15(30%) have OND/NCE while 5(10%) have HND/B.SC).

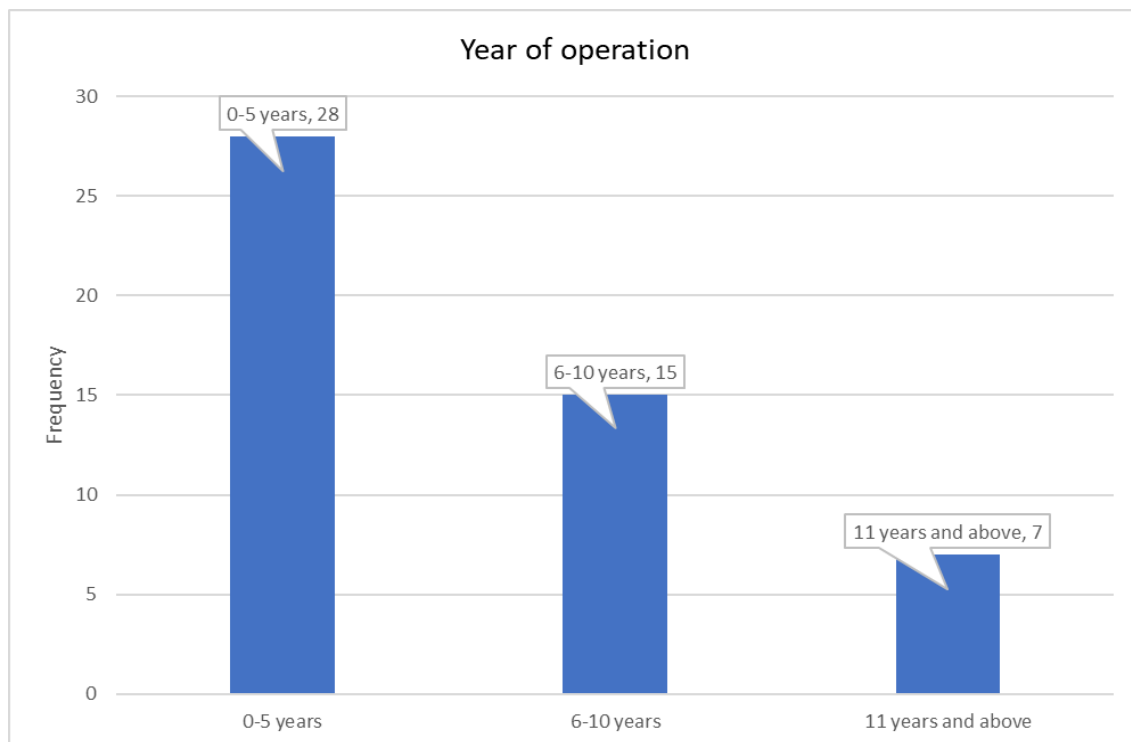


Figure 1: Years of operation of respondents

Microfinance banks and the women food vendors in FUTA Environment

Table 2: Level of relationship between microfinance bank and food vendors

Statement	Strongly Agree	Agree	Partially Agree	Disagree	Strongly Disagree
My farm has been supported by microfinance bank	20	28	8	2	2
I have a business relationship with microfinance bank	11	35	2	2	0
I have adequate collateral to obtain loan from microfinance banks	6	23	5	6	10
Microfinance banks has contributed to my business	12	29	2	5	2

The Table 2 above showed that 10% of the respondent strongly agreed that farm has been supported by microfinance bank, 28% agreed with this while 2% disagreed. Also, 35% of the respondents says they have business relationship with microfinance bank. 23% and 29% says they have adequate collateral to obtain loan from microfinance banks and microfinance banks has contributed to my business.

Contribution of microfinance banks on the business expansion capacity of women food vendors in FUTA Environment

Table 3: Level of contribution between microfinance bank and food vendors

Statement	Strongly Agree	Agree	Partially Agree	Disagree	Strongly Disagree
There is enough capital to run and expand the business	11	14	8	10	7
I have benefited from microfinance loan	21	15	5	5	4
The interest rate charged on microfinance loan is very high	20	22	4	2	2
The loan received has made a positive impact on the business	24	21	5	0	0

Table 3 above revealed that 14% of the respondent agreed that there is enough capital to run and expand their business, 11% strongly agreed with this while 10% disagreed. Also, 21% of the respondents says they have benefited from microfinance loan. 20% and 24% agreed that the interest rate charged on microfinance loan is very high and loan received has made a positive impact on their business.

Contribution of Microfinance on business performance of women food vendors in FUTA Environment

Table 4: Contribution of microfinance bank on business performance

Statement	Strongly Agree	Agree	Partially Agree	Disagree	Strongly Disagree
Getting financial support from microfinance bank will improve my output	14	24	12	0	0
Access to finance will increase my profitability	35	10	3	2	0
Financial support from microfinance banks does not have effect on the farm's operations and performance	4	10	24	7	5
Additional financial support will improve my working capital to do business	32	4	4	0	0

From Table 4 above, the result revealed what can be done by microfinance banks in order to improve their business. that 24% of the respondent agreed that getting financial support from microfinance bank will improve their output, 14% strongly agreed with this while none of the respondents disagreed. Also, 35% of the respondents says access to finance will increase their profitability. 10% and 34% agreed and strongly agreed respectively that financial support from microfinance banks does not have effect on the farm's operations and performance and additional financial support will improve my working capital to do business.

Hypothesis Testing

Hypothesis One

Ho: the contribution of microfinance bank does not have significant relationship on business expansion capacity of women food vendors in FUTA Environment

Table 5: Model summary of impact of microfinance bank on business expansion capacity

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.964 ^a	.929	.924	.257	.929	199.844	3	46	.000

Dependent variable: Business expansion capacity

Table 6: ANOVA for impact of microfinance bank on business expansion capacity

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	39.676	3	13.225	199.844	.000 ^b
	Residual	3.044	46	.066		
	Total	42.720	49			

Dependent variable: Business expansion capacity

Table 7: Model Coefficient for impact of microfinance bank on business expansion capacity

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.627	.262		2.393	.021
Contribution of microfinance bank	.254	.088	.279	2.882	.006

Dependent variable: Business expansion capacity

The R^2 shows 92.9% of the total variation in the dependent variable is being explained by the independent variables ($R^2 = 0.929$). The correlation coefficient ($R=0.964$) shows that there is a strong positive relationship between the contribution of microfinance bank and business expansion capacity of women food vendors in FUTA. From the model in table 7, it shows that microfinance bank has a positive impact on business expansion capacity and the impact is significant ($P < 0.000$).

Hence, the final model is given as:

$$Y = 0.627 + 0.254x$$

Based on the outcomes, we therefore conclude that we reject the null hypothesis and accept the alternate hypothesis which implies that contribution of microfinance bank has significant relationship on business expansion capacity of women food vendors in FUTA Environment.

Hypothesis Two

Ho: the contribution of microfinance bank does not have significant relationship on business performance of women food vendors in FUTA Environment.

Table 8: Model summary for impact of contribution of microfinance bank on business performance of food vendors

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.930 ^a	.864	.855	.524	.864	97.676	3	46	.000

Dependent Variable: Business performance

Table 9: ANOVA of impact of contribution of microfinance bank on business performance of food vendors

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	80.485	3	26.828	97.676	.000 ^b
	Residual	12.635	46	.275		
	Total	93.120	49			

Dependent Variable: Business performance

Table 10: Model coefficient for impact of contribution of microfinance bank on business performance of food vendors

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.888	.677		4.269	.000
	Contribution of microfinance bank	1.065	.255	.515	4.174	.000

Dependent Variable: Business performance

The R^2 shows 93.0% of the total variation in the dependent variable is being explained by the independent variables ($R^2 = 0.930$). The correlation coefficient ($R=0.864$) shows that there is a strong positive relationship between the contribution of microfinance bank and business performance of women food vendors in FUTA. From the model in table 4.11, it shows that microfinance bank has a positive impact on business performance and the impact is significant ($P < 0.000$).

Hence, the final model is given as:

$$Y = 2.888 + 1.065x$$

Based on the outcomes, we therefore conclude that we reject the null hypothesis and accept the alternate hypothesis which implies that contribution of microfinance bank has significant relationship on business performance of women food vendors in FUTA Environment.

CONCLUSION

The purpose of this study was to examine the impact of microfinance on microfinance on women food vendors in FUTA environment as well as the factors that affect the performance of women entrepreneurs. For this purpose, data was collected from women entrepreneurs in FUTA environment. The findings show that the majority of women entrepreneurs in this locality have no professional training, little or no educational background and skills that affect their performance. Most of the women also face problems in arranging the initial capital for enterprises and availing financial services from concerned institutions due to rigorous procedure and lack of collaterals.

The study concluded that there are various barriers that imitate against entrepreneurs' development in FUTA environment. The major challenges involve, lack of collateral, high loan interest rate and lack of registration. Also, the study concluded that, micro entrepreneurs face a number of challenges. These include business risk, lack of education, family problems, high interest rate and lack of support. Despite the existence barriers for micro entrepreneurs in accessing microfinance services, among others, several Micro entrepreneurs have got their businesses growing. This suggests that there might be some factors or opportunities that have enabled some micro entrepreneurs to overcome the above mentioned constraints and make their businesses prosperous. This could be because of their hardworking spirits, having understanding and supportive family members, required skills and technical knowhow obtained by being persistent in the business. Finally the study conclude that lowering interest rate will improve loan provision to entrepreneurs in FUTA environment. It was established that microfinance institutions are skeptical in giving loans to not only very risky businesses but also new businesses. They are keen when assessing the creditworthiness of businesses while

dealing with disproportionate information problems.

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