Title of Article:

Author(s): Ailemen & Taiwo, J.N & Isibor, Areghan (2014)


Abstract:
By inspection, observation and government records there are too many poor in SouthWest Nigeria who require micro/small financial services such as credit, insurance, money transfer etcetera in order to engage actively in productive activities and improve their standard of living. Paradoxically, governments across the world, particularly in Nigeria over the years, have not been able to adequately help the poor in spite of all the rhetorics and several failed poverty-alleviation projects. The objective study examines the roles of microfinance towards the dispersion of credit among the working poor and also helped to improve the standard of living in Nigeria. The study draws from the data collected from the field survey and these were reported using tables, frequency counts and cross-tabulations to draw inferences. In addition, a loan demand model was specified and estimated using the Ordinary Least Squares (OLS) econometric technique. The study used cross-sectional data collected from selected respondents in selected areas of both the Lagos and Ogun States of Nigeria respectively. The study confirmed that most of the Microfinance banks in Nigeria are tailored after the Grameen Bank which focuses on the poor and people with basic, little or no education and that loan demand is interest rate insensitive to loan demand. The study recommended that MFI's should design appropriate products that are flexible enough to meet the different needs of the poor for both production and consumption purposes. Government should urgently tackle the infrastructural gaps such as electricity, water and efficient transportation system which impact greatly on the standard of living of the people;

JEL Classification: G21, G33

Key words: Microfinance, Poverty alleviation, Grameen Bank