

## **IMPACT OF MICROFINANCE LENDING ON ECONOMIC GROWTH OF THIRDWORLD NATIONS: STUDY OF NIGERIA**

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### **ABSTRACT**

*This paper examines the impact of microfinance lending on the Nigerian economic growth. Specifically, the study sought to evaluate how microfinance lending to micro, small and medium scale enterprises in Nigeria has impacted on changing the business fortunes of the poor and hence the Nigerian economy. Primary and secondary data were collected and analysed using programme designs, numerical structure response in implementation and performance model in a bid to delineate the relationship between microfinance loans and growth of micro, small and medium scale enterprises in Nigeria. Our results reveal that the microfinance loans have not gone deep enough to ensure a clean break from community and commercial banking practices.*

**Keywords:** Microfinance, Micro small and medium scale enterprises, Bank operations and human resources development, Poverty reduction, Economic growth, Stability.

### **1. INTRODUCTION**

This research work examines the critical success factors for microfinance lending in Nigeria, including the activities of government towards the growth of the economy through small and medium scale enterprises. It intends to provide guiding principles that may encourage growth and sustainability in the Nigerian economy through the tool-kits of management concerned with the building-block of strategic design orders, and capacity block that deals with isolated standard or level-blend of professional skills in management.

Microfinance banking and Economic stability has a nexus that cannot be overemphasized This is because the growth of economy is dependent on the availability of liquidity (in terms of small credit niche) to small and medium scale enterprises. The Nigerian nation since independence 54 years ago has had several turbulent period of nascence of democratic experimental projects that always suffer miscarriage in operations. Government has in the past

initiated series of publicly-financed micro/rural credit schemes and policies targeted at rehabilitating the poor.

Among the programmes of government aimed at reducing poverty were rural banking programmes, sector allocation of credits and concessionary interest rate which were executed through agricultural credit schemes represented mainly in the institutional arrangements of the Nigerian Agricultural and Cooperative Bank Limited.

According to [Modupe \(2009\)](#), 'one of the critical success factors for the microfinance industry in Nigeria is the development of viable institutions that customers can trust.' Nigerian Agricultural and Cooperative Bank - NACB (which was originally Nigerian Agricultural Bank - NAB established in 1973 vide the 'Stoneham Report,' was merged in the year 2000 with the Peoples Bank of Nigeria (PBN), and the Family Economic Advancement Programme (FEAP) to form the present Nigerian Agricultural Cooperative and Rural Development Bank Limited (NACRDB).

There are still other establishments like, the National Directorate of Employment (NDE), the Nigerian Agricultural Insurance Corporation (NAIC), and the Small and Medium Enterprises Credit Guarantee Scheme (SMECGS). The idea of all these schemes is to create soft-landing level-play in the economy for providing financial services to alleviate poverty. Microfinance services, especially those established by government have adopted the traditional supply-led approach that is mainly directed to the agricultural sector and non-farm activities tailoring, petty-trading, agro-product processing, transportation, etc, with the effects short-lived due to the unsustainable nature of the schemes.

It is important to note that in Nigeria, with the establishment of the microfinance policy, regulatory and supervisory framework in December 2005, the policy as designed, geared for the provision of financial services through non-governmental organisations, deposit money banks and microfinance banks.

Microfinance banking is one of the measures of executive decision and strategic approach to the enhancement of capacity building, in human resources and industrial development of a social community environment. As a new separate strategic lifeline to the advancement of the business cycle and the aggregate level of market, micro credit support is seen to be a vital tool for enhancement of resource development. As an off-shoot of the financial system management, and a revolutionary revolvant mechanism to poverty reduction management, the Nigerian government a few years ago, established the Microfinance Banking (MFB) in Nigeria under the administration of Former President OlusegunObasanjo; it is to be a source of getting to the government target of soft aggregate scaling of fund distribution through micro-credits to rural farmers and artisans. It is a great idea that the thought of the movers of the motion on need for this project "the microfinance bank operations," has a laudable vision. Some years now after the establishment of the micro-finance banks in Nigeria, we have not made any significant success in the programmes and policies of alleviating poverty in our society. Almost all the micro-finance banks in the

country are yet to gain reasonable grounds that would enable them play the redemptive role that such banks are expected to play in modern development economies.

The microfinance banks in Nigeria were established to service the “active poor” in the rural communities who are traditionally not taken care of by the conventional banking service and other financial institutions. Suffice it to say that, this programme - the microfinance banking institutions like other similar economic development projects set up in their chains for four decades now have not helped the rural poor and populace. The microfinance banks instead of being a source of help or economic assistance to the rural people are now, seen competing with the already established (full services) commercial banks.

As we discuss what microfinance is, it is important to note that while the review of related literature covered overview of decades, the focus of this research was of ten-year approach, that is, 2004-2014. According to [Obasi \(2009\)](#), “Microfinance banking is a micro credit support services of banking operations that is concerned with small unit fund collection, allocation, administering, and management, for socio-economic growth, poverty alleviation on benefiting societies and political tranquillity.”

According to [Dandana and Nwele \(2011\)](#), “microfinance banking service that is well implemented play important role in modern society, as it provides micro credit loans to small and medium scale farmers and enterprises. It reduces poverty growth level and creates an enabling environment for social and political tranquillity. Because microfinance lending when properly managed benefits the poor rural farmers, small and medium scale enterprises, artisans, et cetera, it helps to aid economic growth of its beneficiaries and their society through poverty reduction. Microfinance programmes that are well channelled help to improve economy, so, if the principles and ethics of microfinance banking are followed in implementations in Nigeria, economy will grow and the poverty profile of Nigeria would reduce properly.

## **2. SECTION TWO: REVIEW OF RELATED LITERATURE**

The relationship between microfinance bank operations and economic growth is of great concern. Microfinance banks are found in the heart of the cities in the area of aggressive marketing and market drive, renting big office space and unleashing young ladies to the streets and giving them unattainable targets that exposes them to danger and ridicule. Among of their unguided recklessness and derailment is the brandishing of flashy cars, new ward robe and luxurious mansions.

The features designed traditionally to distinguish microfinance banks from the other banks and financial institutions are the administrative system of giving ‘small and uncollateralised loans to people in the rural communities mainly for agriculture, agro-allied matters, and petty trading/small business linings, et cetera. The microfinance banks are designed to be a link and data bank of the government and the big banks about the poor of their area. The microfinance

banks are to be used as economic pot and bail-out font to the subsistent and small business farmers and agents, in cooperative drive actions.

In the Nigerian system management, the microfinance banks and banking is used as a substitute to other similar programmes created in the past by different governments for the same purpose - reaching out to the poor. Series of government financed rural/micro credit policies and programmes that are targeted towards poverty alleviation have been initiated, changed or disbanded. Such programmes include sectoral allocation of credits, concessionary interest rates, and Agricultural and Credit Guarantee Scheme (ACGS).

Other micro credit scheme (and ancillary organizations) initiated before the microfinance banking system are:

- a. The Nigerian Agricultural and Cooperative Bank Limited (NACB).
- b. The Nigerian Agricultural Insurance Corporation (NAIC).
- c. The National Directorate of Employment (NDE).
- d. The Peoples Bank of Nigeria.
- e. The Community Banks (and the National Board for Community Banks).
- f. The Family Economic Advancement Programme (FEAP) – shortfall and incompetency in the operational performance and success of the peoples bank and FEAP was adduced as the reason for which FEAP and PBN was later merged to upgrade NACB to the new status of the Nigerian Agricultural cooperative and rural development bank limited (NACRDB).

The aim as the name implies is to make it possible for the rural poor of our society to access agricultural loans with ease.

In furtherance to the aspirations of the poor commonly known as the masses of our society, and in pursuance hitherto with government immediate approach and determination to reduce poverty at the ground of cause-action then, a survey was conducted. The government under the administration of former president OlusegunAremuObasanjo noted in the report that, microfinance banks with funds sufficient to operate a full bank's branch in at least two –third of local Government areas of a state is desired for an aggregate market development effort, and economic stability.To put the research proposal into productive action a minimum paid-up capital of N1 Billion was recommended as take-of capital needed to obtain the licence to operate state microfinance coverage after all stipulated requirements are satisfied.

The Central Bank of Nigeria as the licensing authority stipulated that licensed microfinance banks (MFBs) are required by statute to add “microfinance bank” at the end of the name and that such name should be registered with the

Corporate Affairs Commission (CAC) under the Companies and Allied Matters Act 1990. From the CBN Governor's report, as shown in figure 1, below, there were about 920 registered microfinance banks in Nigeria. It is also to be noted that while some are already operating at full capacity (though not without the problems stated earlier), others are still at various stages of

take- off. A good number of the ones already operating have started experiencing liquidity problems. In some of these banks, the depositors are beginning to find it difficult in accessing their funds, and the banks can no longer meet up their statutory obligations of the grant of loans to small scale businesses and farmers.

**Tables-1.1.** Showing Microfinance Banks by Geo-political Zones as at December, 2009

Geo-Political Zones	Number of MFBS	Total Pre Zone	% of Total
<b>South-East</b>			
Abia	28		
Anambra	80		
Ebonyi	17		
Enugu	22		
Imo	44		
Sub-total	191	191	19.9
<b>South-South</b>			
Akwa-Ibom	15		
Bayelsa	5		
Cross River	16		
Delta	36		
Edo	25		
Rivers	31		
Sub-total	128	128	14.1
<b>South-West</b>			
Ekiti	13		
Lagos	220		
Ogun	54		
Ondo	18		
Osun	33		
Oyo	48		
Sub-total	386	386	42.4
<b>North-East</b>			
Adamawa	8		
Bauchi	12		
Borno	4		
Gombe	4		
Taraba	4		
Yobe	1		
Sub-total	33	33	3.6
<b>North-Central</b>			
Abuja FCT	41		
Benue	10		
Kogi	21		
Kwara	22		
Nasarawa	3		
Niger	12		
Plateau	13		
Sub-total	122	122	13.4
<b>North-West</b>			
Jigawa	8		
Kaduna	23		
Kano	7		
Katsina	5		
Kebbi	6		
Sokoto	5		
Zamfara	6		
Sub-total	60	60	6.6
<b>Total</b>	<b>920</b>	<b>920</b>	<b>100.0</b>

**Source:** The Nigerian Microfinance Newsletter, Vol.9, July – Dec, 2009.

The Central Bank Nigeria acted on section 28, subsection 1(b) of the CBN Act 24 of 1981 (as amended) and sections 56-68 (ss1) of the banks and other financial institutions Act 25 of 1991 (also as amended) to establish the microfinance banks.

Recently, because of the serious signs of liquidity stress in many of the operational microfinance banks in Nigeria; a situation where the microfinance banks are not lending to the micro-level productive units of the economy, some

MFBs can no longer pay their depositors either, with others severely in need of liquidity, the sector became lameoric or lame-duck. With research findings according to [Obasi \(2009\)](#), showing that it is rather the chief executives of microfinance banks who are as a matter of facts in the irony, feeding fat on the called up capital and depositors funds and the upper echelons on lucrative banking industry bonuses and outrageous non collateral grants.

The crisis of mismanagement and cash crunch in the microfinance banks, on the precepts of misplaced priorities and political affluence, has heated so much in our society that our hope of growth and stability is dicey. The reflection on the low performance of our microfinance banks and investment mismatch, its adverse effect to the Nigerian millennium development goal, prompted the Governor of Central Bank of Nigeria, AlhSanusiLamidoSanusi to roll-out a policy, which would require all chief executives of microfinance banks to undergo professional examinations after which only successful ones will qualify to retain their position in their banks.

### **2.1. Empirical Review**

One of the main objectives of microfinance, as put forward by [Otera \(1999\)](#) is not the provision of capital to the poor to combat poverty; it rather seeks to create an institution that delivers financial services to the poor who are ignored by the formal banking sector. Following from this, [Adamu \(2007\)](#) observed that microfinance institutions in Nigeria have grown phenomenally, driven largely by expanding informal sector activities and the reluctance of commercial banks to fund emerging microenterprises.

According to a report by the National Organising Committee of the International Year of Microcredit 2005, "It is quite a daunting picture to observe that 41.5% of the banks were rated as unsound or even critical and unsound. If this is a true reflection of the national industry situation, given an industry size of over 900microfinance banks, there may be serious (fundamental) challenges ahead." This research finding revealed that the microfinance policy framework have not gone deep enough to ensure a clean break from community and commercial banking. The supervisory position of The Central Bank of Nigeria (CBN) was seen to be inadequate to serve the needs of the target market (the poor). Most obvious of the factors that accounted for the poor performance of the 41.5% of the banks were: Weak CEO and Management with poor team work; Poor Governance Practices, and Resistance to Change; Toxic Assets Inherited from the Community Banking Period, and Short comings of CBN Supervisory Regulation.

This research also revealed that about 70% of the banks rated with 4-5 were manned by Managing Directors who were not equipped with the skills base, or the vision, and the commitment of running such banks. It was further observed that with circumstances of such nature, they cannot attract and retain quality staff. The making of our ordinances, its control and management are usually designed in contest instead of the intrinsic concept and context for which such ordinance revolve.

While it is important and cardinal for the managers or chief executives of this institutions, programmes (and to be specific- our microfinance banks) to be professionally qualified and capable to handle them, it is more appropriate to take notice of the most in priority of all of the qualifications and focus. That we are talking about the “life-line” and survival of a “unique entity” that is called a country - Nigeria. That in the football field called Nigeria the issue of scoring the goal to win the match is not only on the players, but on the ‘genuine technical spirit’ and ‘corporate responsibility’ of the coach and the management of the ‘team.’

As it is not digressive but on the tracking of the message of decency, I do, as I ought to, replay the code of the preamble of our Nigerian constitution (page 1). “We the people of the Federal Republic of Nigeria: HAVING firmly and solemnly resolved, TO LIVE in unity and harmony ‘as one’ indivisible and indissoluble sovereign Nation under GOD dedicated to the promotion of inter-African solidarity, world peace, international corporation and understanding. AND TO PROVIDE for a constitution or the purpose of promoting the good government and welfare of all persons in our country on the principles of Freedom, equality and justice, and for the purpose of consolidating the unity of our people DO HEREBY MAKE, ENACT AND GIVE TO OURSELVES the following constitution.”

The definiteism therefore with this constitution is unalloyed especially in contest with its supremacy to any other consideration - hence, in the beginning of chapter one (part one) under the general provision it stated: “This constitution is supreme and its provisions shall have binding force on all authorities and persons throughout the Federal Republic of Nigeria.”

The National Anthem: Again, our Nigerian National Anthem awakens all to a clarion call as compatriots, to in obedience ‘serve our fatherland with love and strength and faith.’ To defend the labour of our ‘heroes’ past (not one hero). And to, in service, open our ‘heart’ and ‘might’ in honour of ‘one nation bound in freedom –peace – unity.’

In the American ‘welfare ordinance’ serving a collection of more than 300 million people and built on unique values and ideals –the values and ideas:

- ❖ Family, Community, and individuality
- ❖ Liberty and Freedom.
- ❖ Democracy and Justice.
- ❖ Freedom of Faith and Freedom of speech.
- ❖ Diversity and Equality of Rights.
- ❖ Education and Innovation.

- ❖ Compassion and Opportunity.
- ❖ Hope.

These values/ideals are founded on the belief that government should serve the people – not oppressing them.

We are looking or yearning for a high standard economic growth. A unique society, an industrious nation, a caring and God fearing democratic government committed to making the basic needs of life affordable for everyone, and creating a leading economy. The Nigeria of our dream equipped with intellectual prudence, typical business forecast and management. Where men will work to be the change they wish to see in the world.

Nigeria is a political economy. All that we present for assessment is the process of our economic system. Not to realise this is to make the mistake that Edward Gibbon was accused of when writing the decline and fall of the Roman Empire – namely, “that sometimes he failed to distinguish between himself and the Roman Empire.”

Risk management in microfinance banking is, like it is in other business endeavours the cracking point at which efficiency and effectiveness are cross-matched for appraisal. All business applications and process actions involve a degree of relationships between profit and loss. Whether it is processed for the provision of goods or services, with a focus on an individual, group(s) or general market-place the prima facie is on reward or return as it affects the risk bearer.

Planning, analysis, implementation, control and management are complex components of production. According to [Boot Tibaths \(1969\)](#), “the idea of man who fulfils the designs of God by establishing control over and order within his environment, that is created increasingly by himself whether he is a decision maker, or merely affected by the social and economic laws which decision makers have brought into operation, is complementary to environmental management.”

In the philosophic conceptions of the great economic theories ‘Man is the author, the centre and the end of all social and economic life.’ According to conceptual expression of booth – a right conception of order and justice demands that power should not be over-concentrated, in his insistence he stressed further that economic progress should not be at the mercy of a few men or groups who are wielding too much of economic or political power.

According to [Samuelson and Nordhaus \(2005\)](#), “economists assume that consumers allocate their limited incomes so as to obtain the greatest satisfaction or utility.” We preach the doctrine of modern prosperity where the processes of enrichment, distribution of wealth which is therefore, the division of outlay between capital investment and earnings, and in relation also to monetary policy are accounted for. It is important to understand that before 1914, monetary policy meant for the most part of nations the concern of the central banks to preserve a stable exchange rate. But since then through wars, their effects and slumps, it has pursued other purpose that has far reaching social effects besides exchange rate stability.



With the great movement of change in the world, the network of relations involving production, distribution and consumption needs to be made as personal as possible because they are links of service between the brotherhoods of man.

In the principles of subsidiary function and relative efficiency, our government should be active (and pro-active) to their responsibilities towards private entrepreneurship since the state of an economy determines the condition of every member of that society.

### **3. MODEL, DATA SOURCES, MEASUREMENT AND ESTIMATION TECHNIQUES**

#### **3.1. Model and Data Sources**

The theoretical and empirical literature discussed in this research as expressed above, shows that the nexus between the productive elements of microfinance support and economic stability is in disarray. This study seeks to assess the nature of the Nigerian business landscape and banking operations and human resource development. Emphases were made on process management of concepts and context of fund acquisition and appropriation. The financial service industry in Nigeria is polarised with political orgy and slaveism, and lack of social humour, so, the statement of facts and target as a propellant to achieving desired goal, were focused on elevation of the impoverished masses. It as well studied the battle of economic recovery and stability, political and social security as dependable instrument of effective corporate governance and confidence building in the financial sector management.

Microfinance banking: Is a capacity building link between a government or an organized financier and the less-successful public (a cooperative association) or individual in small scale investment opportunities of a socio-political economy.

Entrepreneurship development: Government has the unreserved responsibility of galvanizing its society's man power and human resource application in micro business model, including innovative and marketing products (IMP). The economically active poor of Nigeria has a right or privilege in the Nigerian Wealth of Nation (which we have in abundance) and of God's own kindness and mercy.

It is of essence to note and with vicissitude, that government has not done much in encouraging productivity and economic growth. Our millennium development goal programme on capacity building for economic stability requires aggressive restructuring and supervision, *especially in the area of micro content investment and development (MCID)*. Government needs the right approach to facilitators of this noble scheme so that the lives of ordinary citizens of this country would have real value.

We have the complexities of convergence of communication and computing in the operational effect of banking as a source of funding in business management. Training of banking staff and management are not matched with personality and ethicate.

Propensity for development is thrown out of context and traded instead with sentimental and domineering politics that does not wear a human face and does not consider value. Serious marketing plan should guarantee a good aggregate value of returns on productive actions of marketing, since in business promotion the stimulation of customers demand is the essence, through an organized sensitization of the public in view. We should learn to pull the bull by the horn, and to put a round peg in a round whole.

The present actions of government vis-à-vis the culminative actions of the management of the microfinance banks in our country today is re-bounding again to end on the trumpetal slogan like we had of all preceding similar programmes; eg the peoples bank, community banks, bank of credit and commerce, Nigerian industrial development bank, Nigerian agricultural rural and corporative development bank, bank of industry as a transformative of NIDB, and even our recent 7 Point Agenda; 6,000 Megawatts of electricity, vision 20-20 (20), housing for all, education for all (including nomadic education), etc. all of these are still on the political trumpet blast of deceit inclusive of “rebranding Nigeria” and “the rule of law.”

### **3.2. Data Description and Measurement**

It is to be noted that there is no single measure of method analysis used to determine the effect of Microfinance achievement. The descriptions therefore, were based on procedure of easy and conventionally convenient access to credit facility, as a pivot to economic vibrancy and socio-political decorum in the qualitative and quantitative construction. The measurement were focused on how the problems of the micro-finance implementation has affected the collaboration standards of agriculture (and agro-mechanism), minerals-sourcing and exploration, transportation, et cetera. Sample methods were based on practical abilities of existing programmes, base and coverage, constraints to achieving desired target or goal, spectrum data management control and micro – macro concept tendencies.

Operational excellence and capacity building were measured on economic implications and scope analysis. Viability of investment portfolio is scaled on social, cultural and economic values and dignity of labour. The considerations on success or failure, or impact made by micro-finance index of the Nigerian economic development order were based on common and separate peculiarities of environment and socio-political tendencies. The idea is to examine, measure, and recommend the target order blend of success in the building-block on subsistence and small to medium scale business or trade emphases which produces optimum productivity, creates social tranquillity, economic stability and marginal profit.

### **3.3. Estimation of Techniques**

This paper has based the test of techniques on appropriate microfinance objectives and implementation: objective is an administrative effort that is concerned with micro credit facilities and capacity building aggregate. Its aim is to control and manage human capital development for vibrancy and dynamism, in economic growth investment and development, through loan scheme

processes. These loan scheme processes are usually designed along the life-line action of risk management cluster initiatives and reconstruction.

Government business is all about governance, control, administration and management. And the life-line areas of consideration in economic terms are: agriculture, health care, infrastructure development, mortgage and salvage. The essence therefore is to build human capacity for social security, peace, tranquility and economic stability.

In every economy, both in developed and the developing societies, creational planning, coordination, control and management of resources are stimulative carried out in three sources: through constitutional amendment, decree or dictatorial order, and numerical congressional resolutions. Whichever method is used, the cardinal point or drive is possession of the force of power.

Ostentatiously the new social world can only achieve sanity and sanctity if credible humane managers are the ones recruited as the driving force in the front ratio of new capital system formation of our total gross national product (GNP) in relation to demand and supply. Against economic stability and social tranquillity, leaders in many developing economies, especially in Nigeria play fast track ruler system of building all government business on loan deficit method also known as 'spend to run' budget deficit. With high consumption economies, low income investments, strict ego regulatory policy, there is an imperative need to collaboratively offer proficiency of skilled effort to facilitate unsparing cost benefit project developments that is not based on political rhetoric. What is required is a Federal Government action that can offset fiscal tightness in monetary policy that keeps down the interest cost of investment and facilitates the availability of capacity funds that are needed for development and growth by small business enterprises, the social economy and environment. We have ethical conflicts that by their nature and organograms cannot be resolved by mere political science alone, but which requires distinctiveness in the study and application of realism of the art and science of political economy.

Market development is the study, control and management of the economics of production which deals with the placement of value on time, place, and possession utilities, as it affects changes in the ownership and possession of goods and services. It is the productive reward of a dynamic free market system that evolves from matured regulatory precepts of a mixed or developed economy.

Market development involves the marketing finance functions of accumulation, distribution, and control of funds necessary to finance inventories, arrange credit or the financial transactions in the flow of goods and services from producer to consumer or user. It is about the overlapping roles of producers, consumers, investors and voters for the choice office of control.

Every economic system tries to anticipate and then meet human needs through the production and distribution of goods and services. The economic system itself is the mechanism that brings together natural resources, the labour supply, technology, and the necessary

entrepreneurial and managerial talents. Although the type of economic system used in, and by a nation is the result of political decision enshrined, it is also even in larger part the result of historical experience that over time becomes a national culture.

The first ingredient that is known of an economic system is the natural resources from which goods are produced.

The intuitive action and influence of capacity building initiatives and direction for administration efficiency is a unique development force for economic stability and social tranquility in every community environment.

Financeteoporosis is the adverse effect of the lack of corporate service development by leaders of nations and allies in many regions of the world. The condition in which the financial force in our national currency value, industry and commerce, technology, insurance and even the commercial brain line and functionaries of managers and controllers of liquidity and solid minerals have gotten stocked in the module of confusion. This is a situation in which the confusion and complexities caused results to depreciation and/or, stagnation in the flow of management, and distribution of goods and services.

The goods and services otherwise known as the wealth of a nation and which in contest is the power of such a nation is all about the ability of the force of the power - the leadership having the will to galvanize the stock world of such society. The block building is an all encompassing activities involving, among other things the productive elements of economic growth that translates into jobs and job creation on the base structure of agriculture, water and sanitation, roads, power generation capacity, telecommunication, rail, and socio-political development. Power modelling, brokerage, management and control are components of the philosophy of the mystery of life which contains the virtues of: love and care, give and take, hard-work, patience, flexibility, sacrifice, humility and decorum.

Government actions are complementary with regulatory framework operations. Its effect is to strengthen business relations and derivational profit. Concepts in the organograms of organizational discuss on framework analysis are usually intended to establish cohesion on behavioral pattern of life (extrovative, or introvative) that is analyzed in terms of a blend of monopoly and competition.

Our regulatory standard effect is measured by reactional base assessment control; base assessment framework are of the following contest: whether inflation is going on, the natural propellant of demand, the amount of money created by government and supply base ratio, alternative reality and component management. The funding requirements of microfinance banks were to be provided by the microfinance development fund to guarantee necessary support for the development of the sub-sector in terms of refinancing facility, capacity building, and other promotional activities of the social blend orbit. And the established windows of opportunity for the microfinance banks, in bringing financial services to people who never had access to such

services, requires the efforts of government, and that of regulatory authority to open to such persons or groups of person as designed.

Government was to ensure a stable micro economic environment which provides basic infrastructures (housing, water, electricity, roads, telecommunication, etc). And among other things, setting aside an amount of not less than 1% (one per cent) of state governments annual budgets (as the case may be) for on-lending activities of microfinance banks in favour of their residents.

#### 4. RESULTS AND DISCUSSION

From the results as highlighted, microfinance lending deals with aiding the building block of skills in the measure of the capability to identify and manage the tool-kits of development in theories and approaches in coherent fashions that match with situation; realising that microfinance investment order is a pressing industry issues and an economic problem. Sources of the research findings, discussions and recommendation were as contained in the review of related literature. It is the recognition of this that resulted to the Federal Government tagging the 2014 'Federal Budget' according to DrNgoziOkonjo-Iweala as "Budget of Job Creation," to be directed at job creation projects.

With many people of every region of the global economics going through a turbulent period of productivity network and target 'mix' we require an overhaul of our projections and implementation projects. The Central Bank of Nigeria needs to raise the control of the capacity builders in the programme of microfinance industry project in order to achieve the target that is before it. There exists a huge and untapped potential for financial intermediation at the rural and micro levels of the Nigerian economy, which have not been addressed after all the past attempts by government to fill the gap. The supply-driven creation of financing institutions and instruments failed because of the poor capitalisation of such programmes and the level of restrictive regulatory and supervisory procedures that were attached to its implementation process.

In the policy framework order as examined by this research, we need a realistic approach to the business of not only in the management of foreign investment and multinational companies, but how to set up and manage microfinance banking fund; since microfinance bank or fund is a dividend of democratic governance which should be professionally and ethically planned and managed/administered by a control policy of a central bank and a technical and active input of:

- ❖ Microfinance network and consultants.
- ❖ Socially skilled and responsible microfinance investors.
- ❖ Investment banks.
- ❖ Equity investment funds and ventures capitalists.
- ❖ Microfinance institutions and hedge funds managers.
- ❖ Investment and asset management consultants.
- ❖ Economists and legal advisors.
- ❖ Accountants and estate development managers.

The collective effort of the stakeholders in the capacity building project of nations of African region of the world in food crisis as it affects productivity has been calling for all-round review. The perennial market-place crisis presently channelled to bail-out system should involve management techniques and community ring-line trust order, which in the organogram of structure and the compulsive act of business trend is directed to addressing the implementation roadmap indices of resource management and economic block-building for sustaining development.

## **5. CONCLUSION**

This paper re-examines the relationship between micro credit support and economic stability. It reviews related literature and conducted empirical analysis of micro credit support activities of Nigeria, in recent times, to examine the link between economic growth and micro credit support. Using various measures of economic growth index the study investigates the hypothesis that micro credit support is panacea to economic growth of nations. Every economic system tries to anticipate and then meet human needs through the production and distribution of goods and services. Micro-finance banking is a design of business studies and financial management, to create enabling environments that enhances development through the traditional profit margin template carriage. Various artificial and natural elements of the variance attributes in sustaining profit at marginal and coded stability level has been affected by political decisions that are resource draining and without economic profit.

The study finds that we need investigative and proactive actions of executives that works with moving from managing “personnel” as ‘cost centre’ and a ‘problem’ to leadership of people. Nigeria at this point (in time and essence) requires a strong leadership and managerial initiative that will guarantee and sustain economic development and stability that is not built on external loan.

The banking operation system is complex and is built on mechanical device of checks and balances. The micro concepts and obligation arise when economies are in recession or when there is productivity draught as a result of unintelligent planed shelf of blueprints for desirable public work projects. These projects in most of cases are politically designed and are against economic and comparative advantage, and without consideration to the dangers of demand pull inflation.

Government actions are complementary with regulatory framework operations, and its effect is to strengthen business relations and derivational profit. Our business cycles are complexities of economic abilities and marketing mix. The concept of this research in the organogram of organisational discuss and framework analysis is intended to establish cohesion on the behavioural pattern of life (introvative, or extrovative) of the Nigerian industrial and personnel management relations. This research among other things seeks also to recommend increase in the share of micro credit as a percentage of total credit to the economy from about 1% in 2009 to at least 15% between now and 2015, and the share of micro credit as a percentage of GDP from 0.4% in 2009 to at least 3% in 2015.

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