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The Effect of Microfinance Services on Poverty Reduction among Women in Katsina Metropolis

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Abstract: **Poverty has remained a global phenomenon and has been one of the major problems of women and its reduction is imperative for societal progress. Microfinance services are extremely important for the development of women entrepreneurs, and a key development strategy for poverty reduction among women. This study examined the effect of microfinance services on poverty reduction among women in Katsina metropolis. The study uses a cross sectional survey with a sample of 336 women of women development center/future assurance, Bima foundation, and Katsina youth craft village in Katsina metropolis, Katsina state, Nigeria. The data collected was analyzed using SPSS version 21; the study used multiple regressions for analysis. The result of the study revealed a positive and significant effect between microcredit and poverty reduction, micro-saving also had a positive and significant effect with poverty reduction, while training had a positive but statistically insignificant effect with poverty reduction. It was recommended that microfinance foundations concerned should intensified its training program by improving the items under training to enable women take full advantages of the training in order to have better result.**

1. INTRODUCTION

Poverty has been one of the major problems facing communities and its reduction is absolutely necessary for societal progress. People live in poverty if their income and resources are so inadequate as to prevent them from affording standard living. The poor are constrained by access to finance and this prohibit them from taking advantage of economic opportunities which will enable them increase their level of output thereby moving them out of poverty. Poverty is pervasive problem in our society spanning across the world, and poverty exist in different levels and forms (Electrin, Mobisa, Enock, Mandere, Jonathan, Kagumba, & Njenga, 2013). The different forms and level of poverty includes; Absolute poverty, Relative poverty, Situational poverty and Generational or chronic poverty.

However, National Institute Kuru (2016) states that Nigeria is ranked third among countries with the highest population of extreme poor or people living in abject poverty in the world. Similarly, United Nations Development Program (2015) estimates the proportion of Nigerians living in absolute poverty to be 62.6% of its population, while the human development index is put at 0.514 and ranks 152 out of the 188 countries. NBS (2016) survey across the six geopolitical zones estimates absolute poverty prevalence for 2015 to be 46.41%. The level of poverty has continued to increase over the years in Nigeria, for example the number of those in poverty had increased from 27% in 1980 to 46% in 1985, it declined slightly to 42% in 1992 and increased very sharply to 67% in 1996 (Anthony & Oni, 2012). According to National Bureau of statistic NBS (2010), 69% of the country total population live in relative poverty condition. The report also states that North West and North east had the highest poverty rates in the country in 2010 with 77.7% and 76.3% respectively. Similarly, National Bureau of Statistics (2010) concludes that five northern states are the poorest in the country with Sokoto state leading the pack with 86.4% poverty rate, followed by states like Bauchi (83.7%), Katsina (82.0%), Adamawa (80.7%) and Kebbi with 80.5. Therefore, the study in Katsina state discovered that majority of households living in the rural part of the state are poor or wallowed in chronic poverty (Aliyu & Musa, 2015).

One such poverty alleviation tool is microfinance, which has gained worldwide recognition since the 1990s and has been proven to have positive effects on poverty levels in developing countries (Hossain & Knight, 2008; Akingunola, Adekunle, Adegbesan & Aninkan, 2013; Akosile & Olakunle, 2014; Seddoh, 2014).). Therefore, the universal objective of microfinance is to make it possible for large numbers of low income people to access microfinance; hence, the potential benefits of microfinance has accounted for its widespread adoption for economic development, job creation and poverty reduction strategy (Nwiwe, Omonona & Okoruwa, 2012). The idea is to provide extremely poor people with small loan, strategy to save, so they can start and operate a business. Microfinance in general is a practice of providing the poor with credit, savings and insurance facilities to set up or to expand income generating activities relating to agriculture and its allied activities and non-farm sector, and thereby is poverty reducing mechanism (Sivachithappa, 2013). But, Khandker (2003) emphasizes that microfinance support mainly informal activities that often have low market demands. Similarly, the institutional arrangements that are providing financial services at the micro level are called microfinance Institutions (MFIs). Asian Development Bank defines microfinance institutions as institutions whose major business is the provision of micro finance services. Microfinance institutions have been operating under different legal systems and structures like non-profit MFIs, Cooperatives, registered banking institutions, and government organizations (Sivachithappa, 2013).

Women and female headed households are the poorest and the most marginalized in rural Nigeria (Alarape, 1992; Udoh, 1995). Amaka (2015) declared that it was estimated in the Beijing declaration that more than one billion people in the world today, the great majority (about 70%) of who are women, live in unacceptable conditions of poverty, mostly in developing countries. Woman is considered only as a housewife whose main job is to cook food, care about the children and the husband, due to this perception, the woman is unjustly treated and faced with many difficulties and obstacles in most societies (Alshebami, 2015). Therefore, according to the studies, women are generally considered to be at the lowest rung of poverty ladder in Nigeria because of low income status of the majority of Nigerian women. Increasing women's access to microfinance services will enable women to make a greater contribution to household income and this will translate into improved well-being for women.

One of the rational for specifically targeting women comes from growing evidence that gender inequalities in Nigeria inhibits economic growth and development, because societies that discriminate on the basis of gender pay the cost of greater poverty and lower living standard of their life (Alobo, Dickson & Egbe, 2014; Chigozie, 2015). Women are increasingly seen as an important part of the international development agenda, because empowering women and promoting gender equality are enshrined in global development objectives within the millennium development goals MDGs agreed on in 2000 (Scott, 2012). Donors support (government, nongovernmental, self help groups) programs that provide increase access to microcredit, saving, training, for women, help to mobilize women's productive capacity to alleviate poverty.

Microfinance services are provided by three types of sources which include formal institutions, such as rural banks and co-operatives, semiformal institutions, such as government, non-governmental organizations, and Informal sources such as money lenders, self help group and shopkeepers (Central Bank of Nigeria, 2006). A considerable number of studies of microfinance services were conducted focusing on formal and semi formal source of microfinance services (Abdurraheem, osemene & Yahaya, 2011; Karlan & Valdivia, 2011; Idowu & Oweleye, 2012; Ahmad, Bello, Charles, 2014; Arshad, Fareed, Nawaz, Shahzad, & Umm-e, 2014; Fasoranti, 2014; Kobina Et al, 2014; Setu, 2014).

Although there are basically 3 microfinance services i.e. micro credit, training and micro saving, few studies have combined these construct in one study. However, number of studies that use micro credit as their dimension toward poverty reduction (e.g., Agbaeze and Onwuka, 2014; Arshad, Fareed, Nawaz, Shahzad and Umme, 2014; Chowdhury, Ghosh & Wright, 2005; Setu, 2014). Similarly studies of Fasoranti (2014), Dingcong, Infantado, Kondo, and Orteba (2008), Kalu and Nembee (2013), use micro saving as their dimension toward poverty reduction.

Similarly, studies of Ahmad, Bello and Charles (2014), Ahmad and Saif (2013), Karlan and Valdivia (2011), equally use training as their dimension toward poverty reduction. Moreover, Study of Abdallah, Kofi, and Paul (2013) use credit, saving and insurance as their dimensions toward poverty reduction. Likewise, Electrin et al (2013) use credit, saving, training and insurance as their dimension toward poverty reduction. Most of these studies above were conducted in Asia and Africa and with few in Katsina, Nigeria.

Therefore, the findings suggest that more studies are needed for better understanding of the relationship between microfinance and poverty reduction especially in Katsina, Nigeria where these kinds of study are much needed and very scarce. This study intends to close this gap, and will be unique from the previous studies because of the use of a more comprehensive model involving three different dimensions of microfinance services including access to microcredit, micro-saving, and training skills, focusing on semi-formal and informal source of microfinance institutions. The objective of this research is to find the effect of microfinance services on poverty reduction among women in Katsina metropolis.

2. LITERATURE REVIEW

2.1 Poverty Reduction

The study of poverty and its alleviation are not new. Rather what are revisited are the spatial differences in levels of poverty among real units. The literature indicates that poverty is a global phenomenon, which affects continents, nations and peoples differently. It afflicts people in various depths and levels, at different times and phases of existence (Oyeyomi, 2003). The commonest way to measure poverty is based on income or consumption line. A person is considered poor if his or her consumption level falls below 1USD per day; a level necessary to meet basic needs, this minimum level is called the poverty line (The World Bank, 2002).

There are several definitions of poverty depending on the context of the situation it is placed in, and the view of the person giving the definition. Chambers (1993) describes poverty as a multidimensional occurrence with complicated origins, which serve as a living standard below the UNESCO accepted standard of living that should include the provision of the basic necessities of life (food, shelter and clothing). United Nations (2011) opines that fundamentally, poverty is the inability of having choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society, it means not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow ones food or a job to earn ones living, not having access to credit (World Bank, 2011).

World Bank (2011) narrates that poverty is pronounced deprivation in well-being, and comprises many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. It also encompasses low levels of health and education, poor access to clean water and sanitation, inadequate physical security, lack of voice, and insufficient capacity and opportunity to better ones life. Hamilton and Osuala (2009) insist that the poor are poor because they are poor, their poverty conditions inter-lock like a web to trap people in their deprivation. Poverty is a strong determinant of others. The causes of poverty are many and must be attacked from all fronts to save the poor from the poverty trap. World Bank (2005) defines poverty as unacceptable human deprivation in terms of economic opportunity, education, health and nutrition, as well as lack of empowerment and security. Poverty can be expressed as the inability to satisfy basic needs of human life due to a lack of means to change a situation.

2.2 Concept of Microfinance

Microfinance is a powerful tool for the alleviation of poverty and empowerment of women in their development. Different authors define microfinance in different context. Ledger wood (1999) believes that microfinance is a sustainable poverty solution and it includes saving, credit and other financial services such as insurance and payment services. Schreiner (2000) on the other hand describes it as an attempt to phase out poverty by improving the access to small deposit and loans for poor households who were being neglected by formal banks and financial institutions, mostly because of their poor credit worthiness.

The term microfinance has therefore come to be associated with providing financial services and to the poor to achieve poverty reduction (UNDP, 2004). Charles (2012) emphasizes that micro finance services refer mainly to small loans; savings mobilization and training in micro enterprise investment services extended to poor people to enable them undertake self-employment projects that generate income. The study by Rajendran and Raya (2010) in India shows that microfinance had positive impact on poverty reduction, women empowerment and environmental sustainability. Alfred and Samuel (2005) define microfinance as the provision of saving, credit and/or other financial and business product that are micro in size to poor clients, who are conventionally believed to lack the capacity to save and the ability to pay the high interest rates charged by commercial banks on credit. Similarly, Atiase (2014) from his view point sees microfinance as the provision of financial services such as loans; savings; payment services; money transfers; insurance of micro enterprises; and households and individuals who can be classified as poor in an effort to reduce poverty.

However, looking at what different scholars say about microfinance, the study can synthesizes that microfinance as a term used to refer to different methods for giving poor people access to financial services, and non financial services where it provides a window of opportunity for the poor to access borrowing which will provide organizational help in terms of training, empowerment, financial and other help.

2.2.2 Access to Microcredit

Credit accessibility by the women is an important factor in determining the effectiveness of microfinance in poverty reduction. Microcredit, thus, gives the unemployed and the poor some opportunities, hope and self-esteem. According to Ahirrao and sadavarte (2010) microcredit is a financial support in the form of incentives, loans or schemes, given to micro entrepreneurs to foster their business practice. Microcredit is the extension of very small loans to impoverished borrowers who typically lack collateral, steady employment and verifiable credit history. Ibru (2009) opines that micro credits are those loans secured from micro financial institutions due to lack of access to start-up capital as a result of poverty, unemployment and low household income.

2.2.3 Micro Saving

Money saving is important. This view has been ingrained in us since childhood. The hope was that we would adopt this habit when we grew up, in theory, saving up before buying makes perfect sense. Not all of us have the ability to save large amounts of money every day, week, or month, but saving for emergencies, future expenses and strategy to save seem better. That's where micro saving is helpful. Morduch (2007) argues, with savings, households can build up assets to use as collateral, smooth seasonal consumption needs, self-insurance against major shocks, and self-finance investments. Moreover, Kumar (2009) views micro-saving as deposit services that allow people to store small amounts of money for future use, often without minimum balance requirements. Moreover, Schreiner and Vonderlack (2002) propose that saving has the potential to improve the well-being of poor women in developing countries, where they propose two saving services designed to address the development issues that confront women.

Micro savings plans are usually offered in developing countries as a way to encourage saving for education, or other future investment. Similarly, people who invest in these plans are better prepared to cope with any unforeseen expenses. Rotating saving group, allow women to save small amount of money for their benefit. Saving allows poor and low income people (women) to access credit, insurance, remittances and savings products. In many countries, the financial sectors do not provide these services to the lower income people

2.2.4 Training Skill

Skill development is an essential element in improving the employability and potential productivity of the poor and can be an important tool in reducing poverty. Training skills acquired are designed to provide a platform to train and educate individuals on skills that can help create wealth in eradicating poverty. Chong and Teoh (2007) opine that they are those programs through necessary entrepreneurial skills such as self-confidence, courage, strong willrisk taking, creativity and innovativeness that can be embedded in individual. Cheserek, Kinwolo and Saina (2012) describe it as those processes that could enable women to acquire skills to save and develop the confidence to explore viable business ideas and market opportunity for their products or services. Training, according to Mullins (2010) is the process of systematically acquiring job related knowledge, skills and attitude in order to perform with effectiveness and efficiency, specific tasks in an organization.

Training in business skills is one way of increasing management and planning capacity for women which will help to increase their ability to save and invest in profitable income generating activities.

2.3 Microcredit and Poverty Reduction

Credit accessibility by the poor is an important factor in determining the effectiveness of microfinance in poverty reduction. Microcredit is seen as a major tool in reducing poverty and plays a facilitating role in the process of economic development: therefore it should be provided to meet the existing needs of the poor (Hulme, 1996). But in contrast with the prevailing idea, based on a wide range of literature on micro credit, Hulme & Mosley (1996) indicate that credit plays a facilitating and not a leading role in the process of economic development. Access to credit can contribute to a long-lasting income and an improvement of the social and economic situation of women (Sarumathi & Mohan, 2011). Chowdhury, Ghosh and Wright (2005) in their study which was done in Bangladesh on the impact of micro credit on poverty, reveal that the impact of micro credit on poverty is particularly strong for about six years. Similarly, Setu, (2014), conducted his study in Ethiopia on the role of microfinance institution in poverty reduction among women's empowerments, reveals that micro credit has the positive impact on the living standard of poor people in particular and alleviating poverty in their household in general.

Study conducted by Akewushola and Akinlabi (2013) on the effect of microcredit on poverty, access to microcredit was found to be negatively correlated to poverty status suggesting that poverty is alleviated as access to micro-credit increases. The study reveals that respondents explored various sources from micro-credits. Most respondents claimed it requires less formal procedures when compared to commercial banks.

The study conducted by Godwin (2010) examined microfinance banks and poverty alleviation in Nigeria. The study is focused on the identification of critical factors that caused poverty in Nigeria and the investigation of the extent to which microfinance institutions have helped in the alleviation of poverty. The research adapts the data on reasons for poverty generated by National Bureau of statistics and employed the method of factor analysis. For investigation the research used the method of regression analysis on a quadratic equation model. The findings of the study reveal that the impact of microfinance on poverty in Nigeria can be explained in two phases; the first phase; the take-off stage sees poverty as increasing though at a decreasing rate as microfinance credit increases. Second phase; precisely starting from the year 2001, persistent increase in microfinance credit reduces drastically the poverty index in Nigeria.

From the research findings revealed by Abdurraheem, Osemene and Yahaya (2011) examined the effectiveness of microfinance banks in alleviating poverty in Kwara State Nigeria. The Survey method was chosen because of its inherent advantages over other research methods as stated by the researchers. For investigation the research used t-test and analysis of variance (ANOVA). A population of 420 respondents was also used in the study. From the research findings, results revealed that microfinance has significant role to play in the economy, as it helps reduce poverty by providing financial services to the active poor, help in generating employment and also provide small loans to grow small businesses.

2.4 Micro saving and Poverty Reduction

One of the more common requirements of most microfinance institutions is to encourage savings among the clients so that they develop an attitude of savings first and borrowing on that amount, and also to empower them in the long term, to be independent of borrowing from external sources. Savings requirement also represents a form of collateral and allows the microfinance institutions to recover at least a small part of their outstanding loan in case of default (Pitamber, 2003).

Kalu, and Nenbee (2013) in their study which was conducted in Gokana local government area in River state reveal that micro-saving is veritable source of raising fund for investment. Also lack of access to formal financial institution makes people to patronize micro-saving. Johnson and Rogaly (1997) indicate that poor people need access to so many more financial services than just micro credit, including saving products.

Fasoranti (2014) in his study which was conducted in Oriade local government area of Osun state on the topic rural saving mobilization among women: a panacea for poverty reduction, shows that rural saving have positive effects on the poverty indices identified in the area.

Bassey and Nkpoyen (2012) results revealed that increased savings, promotion of local cooperative societies and creation of self-employment opportunities are significantly related to poverty reduction. Adams (2009) concludes that poor people would be better served if more emphasis was placed on deposits and less emphasis given to credit.

A study by Dingcong, Infantado, Kondo, and Orbeta (2008) in the Philippines also discover an increase in savings by program clients. The increase in savings implies better consumption-smoothing and investments by program members which imply an increase in employment as people are not idle but productive so as to fend for their families. Scott (2012) emphasizes that microcredit and women's saving groups are examples of interventions which, through a focus on practical gender needs, aim both to reduce income poverty and contribute to women's empowerment.

2.5 Training Skills and Poverty Reduction

In many developing countries, poverty reduction strategies have been put in place in an effort toward an integrated approach to fight against poverty. Skill development strategies have rarely integrated into comprehensive employment policies. Ensuring equal access to training for the poor as well as quality training enhance the improvement of the poor.

Ahmed and Saif (2013) conducted a study to assess the impact of capacity building (training) of borrowers before taking micro-credit and the difference in income level between trained and non-trained borrowers of micro-credit. It was found that there was no significant relationship between the income level of trained and non-trained borrowers; there is a significant relationship between the creation of employment opportunity of trained and non-trained borrowers; pre-trained borrowers were hiring more people from outside of their family members than the non-trained borrowers; and the trained borrowers are involved in those activities that contribute directly to the GDP.

According to Akinyemi (2010) in his study, seven new skills were acquired by the beneficiaries and the result further revealed that skills acquired by the beneficiaries of poverty alleviation programs were significantly influenced by their gender. In 1982, UNICEF began supporting the Production Credit for Rural Women (PCRW) program by providing credit and training and supporting community development in five districts (Jonathan, 2002).

The poor need not only conventional vocational training but also other skills essentials to reducing their vulnerability such as basic skills, empowerment skills and entrepreneurial skills (International labor Organization, 2003).

2.6 Theoretical Framework

Most studies of poverty have adopted different theoretical underpinning in order to find a workable solution to their subject matter. This work adopts social structural failure theory of poverty (SSTFTP). A great number of theories attempt to explain causes, consequences and way out of poverty. An attempt is made here to review one of them.

Social Structural Failure Theory of Poverty (SSTFTP)

This theory was propounded by Rank, Yoom and Herschl (2003). Social structural failure theory of poverty emerges as a result of criticism label against Personal Traits Theory of Poverty (PTTP). SSTFTP opposed the opinion that a person is poor because of personal trait they possess. SSTFTP present a contrary view that opposed the idea that personal trait such as laziness, educational attainment and other traits account for why people are poor. The main thrust of SSTFTP revolves around the idea that social structural failure is the major cause of poverty in society. Poverty is a product of failing at the structural level.

Failure of social and economic structures contributes heavily to the incidence of poverty in society. For instance, the failure of the job market to provide adequate jobs with high pay, enough to cater for the wellbeing of households could result to poverty (Rank, Yoom & Herschl, 2003 cited in Agba, Ocheni, Nkpoyen, 2014)

SSTFTP posit that minimal net of social insecurity in society is cause by social structural failure, and this is a significant major contributor to poverty. It suggests that, poverty can be reduced in society by strengthening institutions that create high pay jobs. It includes the establishment and maintenance of social safety framework that provides welfare services to members of society (Rank, Yoom & Herschl, 2003). This theory is relevant to the study because, microfinance credit scheme, saving and training are a social structure that supports the provision of job especially within small and medium enterprises (SMEs) and could be a prime mover in the war against poverty in society.

2.7 Hypotheses of the Study

In line with the questions and objectives, the hypotheses may be restated; thus;

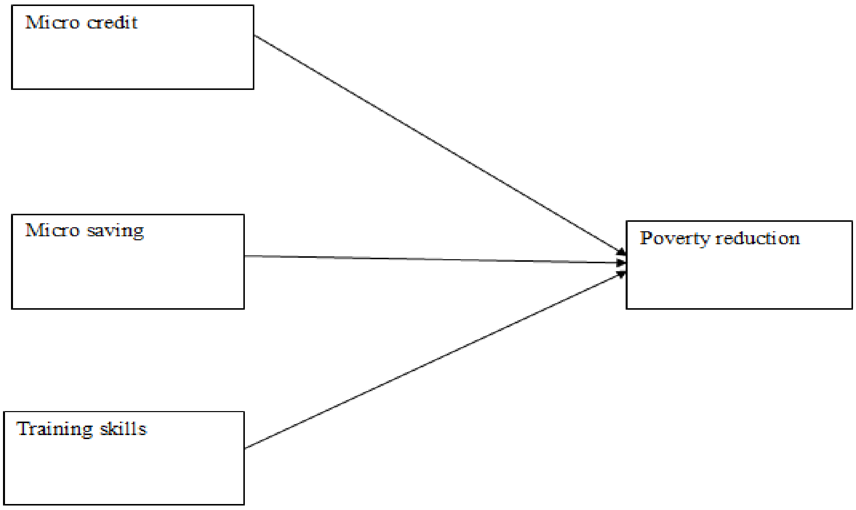
Hoi: Micro credit has no significant effect on poverty reduction among women in Katsina metropolis.

Ho2: Micro-saving has no significant effect on poverty reduction among women in Katsina metropolis.

Ho3: Training has no significant effect on poverty reduction among women in Katsina metropolis.

Conceptual Framework

Microfinance **Poverty reduction**



3. RESEARCH METHODOLOGY

3.1 Measurement of Variables

The present study has two major construct to be measured namely microfinance services and poverty reduction. The independent variable is microfinance services with three dimensions as micro credit, micro saving and training skill while the dependent variable is poverty reduction. This section discusses the instruments used in measuring the construct of the model

3.2 Method of Data Analysis

To test the relationship between microfinance services and poverty reduction the data collected for the study was analyzed using SPSS version 21 software in which multiple regression analysis was used.

3.3 Reliability Analysis Result

Cronbach's alpha reliability was performed and the result shows that all measures of microfinance attained high reliability coefficient, ranging from 0.699 to 0.875 while measure of poverty reduction has 0.872. Nunnally (1978) is of the opinion that instruments used in basic research should have reliability 0.70 or above. Although, the coefficient of 0.60 can be considered average, while 0.70 could be regarded as high reliability coefficient (Hair et al, 2010; Sekaran & Bougie, 2010, Sekaran, 2003).

4. RESPONSE RATE

A total of 317 respondents constituted the response rate for this research which shows a good response rate of 94%. This rate is considered sufficient based on Sekaran's (2003) argument that a 30% response rate is suitable for survey. The data was analyzed using SPSS (version 21)

4.1 RESULT AND DISCUSSION

Table 4.1: Questionnaire Distribution and Response Rate

ITEM	FREQUENCY	PERCENTAGE
Distributed questionnaire	336	100
Returned questionnaire	317	94
Rejected questionnaire (outliers)	10	3
Questionnaire with missing value	10	3
Retained questionnaire	297	88

SOURCE: Field work 2016

In this study; it is intended to investigate the relationship between the independent variable including: micro credit, micro saving and training skills and the dependent variable which is poverty reduction among women in Katsina metropolis. To examine the relationship among the variables, the present study conducted a regression analysis. Three predictor variables including micro credit, micro saving, and training were examined to see their contribution towards poverty reduction. The multiple correlation coefficients, R, indicate a very high correlation of .934 between our response variable and the three explanatory variables. From the R^2value (coefficient of determination) the model fits the data reasonably well at 86.9%. Meaning that poverty reduction (dependent variable) can be explained by the independent variables in the fitted model. This shows that, the independent variable can explain the variance in the dependent variable by 86.9%, which is very strong; it also shows that, the predictive power of the model is high. Cohen (1988) classified R^2 in to three: 0.02 as weak, 0.13 as moderate and 0.26 as large. Following this classification, the value of R^2 is high (Cohen, 1988). The Durbin Watson (1.916) has fallen within the acceptable range of 1.5 – 2.5 as recommended by Norusis (1999). This shows that, the assumption of independent of error term has been met.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.934[a]	˙873	.869	2.58593	1.916

a. Predictors: (Constant), micro credit, micro saving, trainin skill

b. Dependent variable: poverty reduction

ANOVA[b]

Model	Sum of Square	df	Mean square Square	F	Sig.
Regression	126.616	3	42.205	222.090	.000[a]
Residual	18.434	97	.190		
Total	145.050	100			

Dependent Variable: poverty reduction

Predictors: (constant) micro credit, micro saving, training skill

Table 4.2 Regression Result and Findings

Hypothesis	Variable	Beta	t-value	P-value	Findings
H1	Microcredit	.647	10.909	.000	Rejected
H2	Micro saving	.216	2.235	.028	Rejected
H3	Training	.125	1.345	.182	Not rejected

From the above table, it shows that the independent variables (micro credit, micro saving, and training) have contributed in explaining the variation in the dependent variable (poverty reduction). Two variables were statistically significant and one not significant at the following P values in table 4.2: micro credit, micro saving and training, .000, .028, .182 respectively.

5. CONCLUSIONS AND RECOMMENDATION

5.1 Conclusions

From the findings above, it is concluded that microfinance services contribute to growth of women in reducing poverty, and the aim of the study is to contribute to the empirical literature on poverty reduction by testing the hypothesis formulated from a theoretical perspective. This facilitated a more holistic view of microfinance services and poverty reduction. Similarly, the micro credit and micro saving have a strong positive significant effect on poverty reduction among women in Katsina metropolis. Meaning that the micro credit and micro saving provided by the foundations is sufficient and also the level of women’s involvement during the programs is adequate. It is also concluded that training skill had a positive effect but statistically insignificant on poverty reduction. From the analysis, all the items under training skill were positive in terms of contribution towards poverty reduction, but are statistically insignificant toward poverty reduction; hence; the authority concerned should intensified its training program by improving the items under training to enable women take full advantages of the training in order to have better result.

5.2 Recommendation

Based on the findings and conclusion of this study, the following are recommended:

i. The microfinance foundations should rather look at expanding micro credit scope and coverage within the state and Nigeria at large.

ii. Microfinance institutions should be encouraged to provide women entrepreneurs with different strategy to save, so that they will have opportunity to use or rotate their saving so as to increase their investment, household income and reduce household poverty.

iii. Microfinance foundations concerned should intensified its training program by improving the items under training to enable women take full advantages of the training in order to have better result.

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