International Digital Organization for Scientific Research ISSN: 2550-7974
IDOSR JOURNAL OF ARTS AND MANAGEMENT 3(2): 14-30, 2018.

Microfinance Institutions and Entrepreneurship Development: A Study of Enugu State, Nigeria

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ABSTRACT

The study investigated impact of microfinance institutions on entrepreneurship development in Enugu South East, Nigeria. The study adopted survey design. Sample population for the study was 350 entrepreneurs in Enugu state. Structured questionnaire and personal interview was used to solicit information from the respondents. Data collected was analyzed and interpreted using frequency, percentage and mean scores. The findings revealed that more male entrepreneurs between the 18 to 35 years benefited from microfinance credit loan facilities in Enugu state. This has help to reduce unemployment, etc improved standard of living. Recommended among others is that MFIs should be properly streamlined in our economy as major government institutional framework for entrepreneurship development. This will help to reduce interest rate on credit facilities and increased more access to loan among youths.

Keywords: Microfinance, Institutions, Enugu state, Entrepreneurship, Nigeria, Development

INTRODUCTION

In order to enhance the flow of financial services into Nigeria's poor and rural areas, government and general stakeholders in financial industry had in the past initiated a series of public-financed micro/rural credit programmes and policies targeted at the poor. None of these schemes proved sustainable or successful. These informal, traditional groups or arrangements like; The Esusu groups, Self-help groups, Local Money Lenders, rotating savings and credit associations (RO-SCAS), etc, generally suffer from many disabilities among which are limited outreached. They provide access to credit for the rural and urban low-come earners. To survive, many traders in South East region of Nigeria involved themselves in these methods of savings and sourcing for loan to push their business before the existence of microfinance institutions in Nigeria. According to [1], the concept of microfinance is not a new phenomenon in the Nigerian nation. Its practice is culturally rooted and dates back several centuries.

Microfinance or micro-credit is the provision of financial services to the poor to alleviate poverty and create financial freedom and or self-reliance. Microfinance is a powerful tool to fight hunger among people in different communities. Microfinance institutions are financial institution through which these loans are disbursed to the poor to start up a business for self-reliance [1]. They are financial institutions for the poor and down trodden who have entrepreneurial skills to establish a business for self-reliance.

Microfinance may therefore be defined as the supply of loans, savings and other basic financial services to the poor [2]. Microfinance may also be defined as any organization-credit union down-scaled commercial bank, financial NGO, or credit cooperative – that provides financial services to the poor. The term microfinance helps to differentiate the services of an MFI from those which conventional banks provide in view of the fact that the financial services of the MFIs usually involve small amount of money (i.e. small loan, small savings etc). By extension, microfinance is the provision of small loans to the unemployed, the poor, entrepreneur, and others living in poverty, not normally considered by the traditional finance institutions as bankable in view of their lack of collateral security, steady employment and a verifiable credit history which normally disqualifies them from having access to credits in the tradition al/conventional banks.

Microfinance Institutions are established with objective to bridge the financial gap often created by the dearth of capital brought about by the inability of the conventional banks to finance and support the Small and Medium Scale Enterprises in the economy. This has however provided the motivating reasons why issues relating to Microfinance Institutions have to be taken more seriously and not business as usual in Nigeria. For entrepreneurship skills and development to grow faster in Nigeria, there is need for microfinance institutions to be the frontier of economic activities at the grass root level, to pave way for economic development per capital income of citizens.

Micro Finance Institutions (MFIs) have vital role among the poorest people to increase their income in developing countries. The poorest people are the vulnerable people who are living in poverty and unhygienic condition without nutrition. MFIs play an important role against the poverty by assisting poor people to increase their. The MFIs are empowering the poor people by providing financial and non-financial services to enhance their living standard through the facilities for poverty alleviation, health nutrition, education and self-employment opportunities and helping to get capital and independent income and contribute economically to their family and society [3].This implied that MFIs is a launch pad for entrepreneurship development for the poor.

The term entrepreneurship was derived from a 17th century French word "entrepredreil" which refers to individuals who undertook the risk of new enterprise. They were contractors who bore the risk of profit or loss. Many early entrepreneurs were soldiers of fortune, adventurers, builders, merchants and funeral directors [4]. For entrepreneurial, an opportunity is first identified, labor is put in and consequently fruits of one's labor are harvested. [5] described entrepreneurship as a creative and innovative response to the environment that can take place in any area of human endeavor such as business, industry, agriculture, education, social work and services of all types on the information of small business units within the informal sector.

[6], states that entrepreneurship is an education that involves the development of skills required for human and material resources development. Similarly, Ojukwu cited in[6] observed that entrepreneurship

creates appropriate entrepreneurial climate in the nation's economy and bequeaths entrepreneurs with more skills made available for success in various entrepreneurial endeavors. Programmes in entrepreneurship are geared towards developing entrepreneurs that will contribute meaningfully to national economic development through self-employment and self-reliance. This is possible through the institutional framework of MFIs

Microfinance Institution (MFI) is an organization that provides microfinance services, ranging from small non-organizations to large Deposit Money Banks. This implies that microfinance institutions are bedrock of entrepreneurship development for entrepreneurial in any economy. In Nigeria, microfinance institutions are established by different bodies to serve different purposes or services, as shown in the table below:

Table 1

S/N	Types of Microfinance Institutions	Financial Product and Services
1	Community Bank	Micro loans and accept deposit
2	Private MFI	Micro loans and accept deposit
3	Government MFI	Micro loans and accept deposit, transfer funds & training of client
4	NGOs MFI	Micro loans and training of client
5	Foreign MFI	Micro loans and accept deposit, insurance & consultancy

Source: *Liman and Arshad (2017).*

STATEMENT OF THE PROBLEM

The major agent of entrepreneurship development in Africa in general and Nigeria in particular is microfinance institutions. In Enugu, a State in South East Region of Nigeria has their citizens with innovative ideals to invest in one business or another before and or after graduation from higher institutions, but, lack enough capitals to start-up a business in the state. Entrepreneurship development in Enugu is facing with the problem of accessing financial assistance from commercial banks and lack of fund for capital-intensive venture. These have led to unemployment, poor standard of living and youth restiveness. The government now licensed many microfinance institutions in Enugu state to issue credit facilities to small and medium scale entrepreneurial who want to establish a good business for self-reliance. Therefore, the major challenges of these MFIs in Enugu state issuing loans for people to set-up a business are high interest rate on credit loan facilities to enterprise business ventures and high cost of doing some lucrative business in the state. MFIs in recognition of these challenges, structured best investment to help small and medium scale enterprises to have more access to loan facilities and easy way of repayment. This study is posed to investigate level of impact of these microfinance institutions in Enugu state on entrepreneurship development especially among youth.

PURPOSE OF THE STUDY

The main purpose of the study is to investigate how microfinance institutions impact on entrepreneurship development in Enugu state.

LITERATURE REVIEW

MICROFINANCE HISTORY IN NIGERIA

The Nigerian business environment offers many entrepreneurial opportunities. Various programs and policies were being put in place by both the Federal and State governments to encourage entrepreneurial activities. The Nigerian Enterprises Promotion Decree (NEPD) of 1972 which was revised in 1977, the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), and National Directorate for Employment (NDE) are some of the means through which Nigerian government aims at encouraging entrepreneurial spirits in the country (Ubom as cited [7].

The extent to which the Nigerian populace has taken advantage of the numerous business opportunities in the country however remains a perturbed issue. This is especially so if one considers the rate of unemployment that keeps increasing over the years in the country. Despite the numerous advantages of being an entrepreneur, an average Nigerian citizen seems to prefer salaried job which has led to high unemployment rate in the country. The bedrock of any nation's industrial development is entrepreneurial activities. Unfortunately, there is uneasy access to the conventional loan from the commercial banks to start up a small or medium scale enterprise. The resultant effect is that the underdevelopment situation of the country is getting worse while government seems incapable of taming the ugly incidence. The symptom of this situation is high poverty rate, high unemployment rate, and economic dependence on foreign countries [7].

OBJECTIVES OF MICRO FINANCE INSTITUTIONS

Selecting a target market depend on the micro service provider and the perceived demand for financial services. In any country, there are underserved enterprises and households, ranging from the ultra poor who may not be economically active, to small growing enterprises that provide employment in their communities. This range or continuum constitutes the demand size for micro finance services. Often, the supply side does not offer a corresponding continuum services. Microfinance institutions need to supply services that fill the gaps and integrate the underserved group into the market. The goal of microfinance institutions as development organization is to service the financial needs have served and underserved market as a means of meeting development objectives. These development objectives generally include one or more of the following; to reduce poverty, to empower women or other disadvantaged population groups, to create employment, to help existing business grow or diversify their activities and to encourage the development of a new business [7].

MICROFINANCE STRATEGIC POLICY

A microfinance policy which recognizes the existing informal institutions and brings them within the supervisory purview of the CBN would not only enhance monetary stability, but also expand the financial infrastructure of the country to meet the financial requirements of the Micro, Small and Medium Enterprises (MSMEs). Such a policy over the years have been aimed at creating a vibrant microfinance subsector that would be adequately integrated into the mainstreams of the national financial system and provide the stimulus for growth and development. Over the years, the federal ministry of finance in conjunction with the Central Bank of Nigeria (CBN) have formulated various policies aimed at stimulating the operation of microfinance institutions in Nigeria [8]. Some of the notable microfinance policy strategies conjured by ministry of finance and Central Bank of Nigeria (CBN) over the years include:

- To licensed and regulate establishment of MFIs to operate as banks in Nigeria.
- To promote the establishment of NGOs based microfinance institutions in Nigeria.
- To promote and support government participation in the microfinance industry by encouraging states and local governments to devote at least 1% of their annual budgets to micro credit initiatives administered through microfinance banks.
- To promote the establishment of institutions that support the development and growth of microfinance service providers and clients.
- To strengthen the regulatory and supervisory framework for microfinance banks in Nigeria.
- To promote sound microfinance practice by advocating professionalism, transparency and good governance in microfinance institutions.
- To increase in the capital base of community banks (now microfinance institutions) from N250,000 to N20 million and recently to N1.0 billion for microfinance banks licensed to operate in a state.

CHALLENGES FACING MICROFINANCE BANKS IN NIGERIA

High operating cost is one of the major challenges of microfinance institutions in South East and Nigeria in general. The Small Units of services pose the challenges of high operating cost, several loan applications to be processed, numerous accounts to be managed and monitored, and repayment collections to be made from several locations especially in rural communities. Repayment Problem is another challenge. Loan default is a major threat to microfinance banks' sustainability; it is the deadly "virus" which afflicts the operation of the banks. It demoralizes staff and deprives beneficiaries of further valuable services. Inadequate Experienced Credit Staff in MFIs can distort smooth operation of the Institution. Micro financing is more than dispensing loans, to be viable, microfinance banks require experienced and skilled personnel. As a young and growing industry, there is a dearth of experienced staff in planning, product development and effective engagement with clients. Problem of illiteracy among customers posed many challenges especially in rural areas of the region. This affects record keeping and decision-making ability of borrowers and consequently affects their relationship with the banks [8].

ORIGIN OF ENTREPRENEURSHIP IN NIGERIA

Early entrepreneurship in Nigeria like elsewhere is characterized by the production or manufacturing in which case the producer most often started with a small capital, most of it from his own savings. Early entrepreneurship started with trade by barter even before the advent of any form of money. So through these exchange of products, entrepreneurship started [9]. A typical Nigerian entrepreneur is a self-made man who might be said to have strong will to succeed; he might engage the services of others like; friends, mates, in-laws and other dependable relatives to help him in his work or production. Through this way, Nigerians in the olden days were engaged in entrepreneurship.

ENTREPRENEURSHIP THEORIES

Throughout most of the 20th century, there are lots of arguments based on theories about nature and role of entrepreneurship focused on one issue or the other: either the cleavage between risk and uncertainty or the issue of equilibrium versus disequilibrium [9]. These issues remain mostly unresolved as we entered the 21st century. The historical evolution of ideas about the entrepreneur is a wide-ranging subject and one that can be organized in different ways—theorist by theorist, period by period, issue by issue and so forth. What follows is a compromise between these possibilities. Several theories have been put forward by scholars to explain the field of entrepreneurship. These theories have their roots in economics, psychology, sociology, anthropology, and management. These views are:

- ✓ The economist's view: according to economists entrepreneurship and economic growth will take place in those situations where particular economic conditions are most favourable.
- ✓ The sociologist's view: sociologists argue that entrepreneurship is most likely to emerge under a specific social culture. According to their postulation, social sanctions are responsible for the emergence of entrepreneurship.
- ✓ The Psychologist's view: according to psychologist's view, the main characteristics are: the capacity to with stand social opposition; energy of will and mind to overcome fixed habits of thought; and, an institutional capacity of see things in a way, which after wards proves correct.

However, individual theories that address entrepreneurship serve as platforms for the explanation of the nature, processes, manifestations, and variables of entrepreneurship. They are as follows:

SCHUMPETER'S THEORY

Schumpeters theory developed in 1934 dwells on the "concentric circles" of economic boom and depression which generates the "social climate" that determines societal attitudes, encouragement and rewards to business endeavors. The theory identified innovation as a function specific to all entrepreneurs, suggesting that the entrepreneur under-takes new combinations of the existing factors of production in any of the following ways [9]

1. The introduction of a new good/product in the market
2. The use of a new method of production
3. The opening of a new market
4. The exploitation of a new source of raw material supply
5. The reorganization of any industry.

DRUCKER'S CREATIVE IMITATION THEORY

The Creative Imitation Theory was espoused by Peter Drucker. It stresses the issue of change which in turn informs the search, response and exploitation of opportunities by people in a particular society at a given time. According to [6], entrepreneurs in less developed countries (LDCs) are not truly innovators in the traditional Schumpeterian sense. In Nigeria, this brand of entrepreneurship, which abound in the south east, among the Igbos. These brands of entrepreneur imitate and adapt products of innovation (Aba-made). What underscores entrepreneurship is change and as [6] states, " the entrepreneur always searches for change, responds to it and exploits it as an opportunity [9].

KIRZNER'S THEORY OF ENTREPRENEURSHIP ALERTNESS

Proponents of the Theory of entrepreneurship Alertness such as [4] and other writers believed that this alertness is a common trait that successful entrepreneurs possess. [4] focuses on "entrepreneurial alertness" to available, but as yet unnoticed opportunities. The essence of alertness theory is that someone is endowed with the trait to recognize something others have failed to recognized; that there is an opportunity waiting to be exploited. Kirzner believes that alertness is a trait successful entrepreneurs have [9]. It is the ability to set up a business enterprise as different from being employed. This involves the acquisition of skills, ideas, managerial competencies necessary for self-employment and the entrepreneurial spirit to propel and sustain wealth creation. This wealth creation will in turn lead to national development.

Entrepreneurship development is a programme meant to develop entrepreneurial abilities among the people. In other words, it refers to inculcation, development, and polishing of entrepreneurial skills into a person needed to establish and successfully run his / her enterprise. In Nigeria, According to [10], "Entrepreneurship development programme is designed to help an individual in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively. It is necessary to promote this understanding of motives and their impact on entrepreneurial values and behavior for this purpose." Now, we can easily define EDP as a planned effort to identify, inculcate, develop, and polish the capabilities and skills as the prerequisites of a person to become and behave as an entrepreneur [11]. When a person is then qualified as an entrepreneur, he/she need access to capital with the support of MFIs to start-up business.

MICROFINANCE INSTITUTIONS IN ENUGU STATE OF NIGERIA

According to the results of the study, there are at five types of MFIs operating in Nigeria. The five specific types of MFIs include; the community banks, the privately owned MFIs, the government MFIs, the non-government organization (NGO) owned MFIs and the foreign owned MFIs. In South East region, most of MFIs are private-owned, and predominantly owned by catholic priests with the support of the Catholic Church and government of the state. In Enugu state for instance, Umuchenerem MFI is owned by catholic organization known as CIDJAB, and OHHA MFI is also owned and funded by a priest. They give credit facilities to small scale business people and very low income earners. They even extent their credit loan facilities to individuals who are not walking at all but, want to start up business for their self-reliance since there is no job anywhere. Credit loans for transport commercial business like; Keke-napep transportation medium, and taxi saloon car. Others are credit loan for education like; school fees, and to study abroad and petty business/agricultural production.

To qualify for a microfinance license an existing community bank was required to increase its paid-up capital from N5m to N20m. Unlike the community banking policy framework which compulsorily confined all community banks to unit banking, the microfinance banking guideline permitted the branching of microfinance banks within a state. For the microfinance banks intending to open branches within a state their paid-up capital was put at N1 billion. Another point of divergence between the community banks and their microfinance successors is in those which the regulatory guideline allows to own them. In addition to individuals, group of individuals, community development associations, private corporate entities which could own community banks, foreign investors and commercial banks, foreign investors could also own microfinance banks [12].

CHALLENGES OF ENTREPRENEURSHIP DEVELOPMENT

Efforts to stimulate economic development through the strategy of entrepreneurship development are not new in Nigeria. Several institutions and government agencies have been engaged in different aspects of fostering entrepreneurship in Nigeria since the seventies. The Centre for Management Development whose mandate included entrepreneurship development [12] attempted to develop a model to facilitate the identification, selection and training of potential entrepreneurs. Institutions such as the National Directorate of Employment (NDE), the defunct Nigeria Industrial Development Bank (NIDB) and the Nigerian Bank for Commerce and Industry (NBCI) and the Nigerian Youth Service Corps (NYSC) have had programmes for entrepreneurship development. However, these efforts have almost always been short-lived and have had minimal impact on the Nigerian economy [13]. The delivery of the programmes was poor, ad hoc and uncoordinated. According to Ekpeyong as cited in Inegebenebor (2005), the delivery of entrepreneurship development programmes in Nigeria is poor as a variety of teachers are hurriedly assembled and given materials also hurriedly written…". The period of training is often inadequate and follow-up activities are neglected. Nevertheless, participants of Entrepreneurship Development Programmes (EDP) rate them positively. The major challenges of entrepreneurship development in South East and Nigeria in general according to [14] are as following:

LACK OF KNOWLEDGE IN THE BASIC SCIENCE AND TECHNOLOGY

The role of entrepreneurship in economic development involves more than just increasing per capital output and income, it involves initiating and constructing change in the structure of business and society. This change is accompanied by growth and increased output which allow more wealth to be divided by the various participants. One theory of economic growth depicts innovation as the key, not only in developing new products or service for the market but also in stimulating investment interest in the new ventures being created. The critical point in the product evolution process is the intersection of knowledge and a recognized social need, which begins the product development phase. This point, called interactive synthesis often fails to evolve into marketable innovation and is where the entrepreneur needs to concentrate his/her efforts. The lack of expertise in this area matching the technology with the appropriate market and making the needed adjustment is the fundamental challenge of entrepreneurship development in Nigeria; it is therefore regrettable that education is yet to be accorded the priority it deserves in Nigeria..

LACK OF STRONG PATENT LAW

A serious challenge that entrepreneurs face in Nigeria is the level of competition from foreign producers. The local entrepreneurs are not protected, the situation is worsened by the apparent lack of faith in the Nigeria patent law which many entrepreneurs feel offers them little protection against piracy

HIGH COST OF DOING BUSINESS IN NIGERIA

Entrepreneurs are in business (take risk) because they want to make profit. Where the expected return from a venture is lower than the opportunity costs, it will act as a disincentive for the entrepreneur. Due to collapsed infrastructural facilities and unbridled corruption, where entrepreneurs have to spend huge sums to provide some basic infrastructure and bribe government officials it makes the cost of doing business in the country to be too high with adverse implication for profitability.

INAPPROPRIATE INCENTIVE STRUCTURE (RESOURCE COURSE):

The oil boom has destroyed and distorted our attitude to work, and this has affected the psychological quotient of an average Nigeria who wants quick money. Policy instability creates an atmosphere of uncertainty the incentive structure that is generally biased in favour of activities with relatively short transaction cycles and quick returns discourage innovation and entrepreneurship.

MICROFINANCE INSTITUTIONS AND ENTREPRENEURSHIP DEVELOPMENT

Development Microfinance is vital to the development of entrepreneurship activities in Nigeria. People have access to capital for entrepreneurship development in Nigeria through microfinance. Microfinance has affected entrepreneurship in the country positively. The major contribution of microfinance institutions to the developing economy like that of Nigeria is its role in promoting entrepreneurship development in the nation. One of the goals of entrepreneurship routed by successful Nigerian government has been the reduction of unemployment and poverty alleviation. A cordial thrust in public policy for the achievement of indigenous entrepreneurship through the provision of long term loans and equity capital by banks for enterprise. Given the gap between savings and invertible funds, the short fall is provided by credit delivery. Many newly developed and developing countries have therefore made credit delivery an endurable strategy in the development of entrepreneurship in both industry and agriculture [7]. The following are some of impacts microfinance institutions have created for entrepreneurship development in South East, Nigeria:

COMMERCIAL TRANSPORTATION BUSINESS CREDIT LOAN FACILITY

This is type of entrepreneurship development of youth in South East, Nigeria through microfinance institutions like; LAPO, Umuchinemere, OHHA and other microfinance institutions. To help youth in the region become entrepreneurial for self-reliance, they issue credit loans worth millions of naira for them to purchase commercial Taxi, Keke-nappep, Mini-bus, etc to make profits and earn a living. This has contributed to South East enterprises and economic development per capital income, because youth who cannot afford to purchase these medium of transportation for commercial purpose can now have one on as their own with easy and long term repayment. It also empowers the youth and reduces crime and youth restiveness in the Region.

PETTY BUSINESS CREDIT LOAN FACILITY

Petty business is a type of small business in different goods and services rendered to citizens of the region to make small profit from it. This type of business is common with women who use it to support their family and be self-reliance. Microfinance institutions issue small loans with ease repayment plan for those men and women who want to start-up this type of business. These empower the women especially for self-reliance and give them financial freedom to support their family. And when a woman is empowered, the whole South East Region is empowered

AGRICULTURAL SCHEME CREDIT LOAN FACILITY

Many rural women in communities in South East are predominantly peasant farmers. They need financial support to produce in a large-scale, agricultural products and sale to consumers in the region. Microfinance institutions have recognized these farmers and issued loan to them in several occasions. This has reduced the high cost goods and services in South East region. Also, government microfinance institutions have purchased and granted fertilizers to these farmers in South East rural areas to boast production quantity and supply in the region and Nigeria in general.

EDUCATION CREDIT LOAN FACILITY

They said that when you educate a woman you, have educated a nation. Education is paramount in development of women and youth in Nigeria. Thus, in South East region is predominantly educational institutions and civil servant with less multinational companies. Many parent aspired that the only way to develop their wards to self-reliance is through education. But, majority of these educational institutions are not affordable, which is the major challenge. To impact the people of South East region, microfinance institutions provide credit facilities for parents to access them for specifically to fund their children schooling. Many parents in the region have accessed this type of credit loan and be able to train their children in tertiary institutions.

ENTREPRENEURSHIP SKILLS ACQUISITION

In South East, and Nigeria at large, entrepreneurship programmes on skills acquisition have be organized to train youth who cannot attend higher education but, want to be develop to be self-reliance in this unemployment thriven economy. With the help microfinance institutions and Industrial Training Fund (ITF) in Nigeria, many youth have been empowered to start-up a business on their own and make a living. Microfinance institutions have trained and provided capitals to start-up a business of their own without waiting for the government for employment.

METHODOLOGY

Descriptive survey research design was adopted in this study. According to Kreks as cited in [15], descriptive survey is most useful in the description of conditions as they exist in their natural setting. Kreks further explains that in descriptive survey designs, a group of people, items or things are studied by collecting and analyzing data from only a few people, items or things considered to be representative of the entire population. This design is preferred for this study because data were collected from a few small and medium businessmen in Enugu state, South East Region of Nigeria, after analyses, inferences were generalized to all small and medium businessmen in Enugu state.

SAMPLE AND SAMPLING METHOD

The sample for the study was three hundred and fifty (350) small and medium enterprises in Enugu State. This sample consisted of 138 commercial transportation entrepreneurial, 158 commercial farmers/traders and 54 entrepreneurship skills recipients. Proportionate and simple random sampling method was used to draw the sample.

METHOD OF DATA ANALYSIS

Statistical tools that were used for data analyses for the study were frequency, percentage and mean. Specifically, these statistics tools were used to analyze data that provide solutions to the research problems that generated the Study. The mean scores were interpreted as follows;

Mean scores from 3.5 – 4.0 – VHE (Very High Extent)
Mean scores from 2.5 – 3.4 – HE (High Extent)
Mean scores from 1.5 – 2. 4 – LE (Low Extent)
Mean scores from 0 – 1.4 – VLE (Very Low Extent)

Table 2: Gender Distribution of Sample population

s/n	Gender	Frequency	Percentage (%)
1.	Female	145	41.4
2.	Male	205	58.6
	Total	*350*	*100 (%)*

Source: *Research Field Work, 2018*

Table 3: Age Distribution of Sample Population

S/N	Age	Frequency	Percentage (%)
3.	18-25 Years	130	37.1
4.	26-35 Years	113	32.3
5	36-45	58	16.6
6	46-55	30	8.6
7	56- Above	19	5.4
	Total	350	100 (%)

Source*: Research Field Work, 2018*

Table 4: Distribution of Entrepreneurship Business Innovations with MFIs Credit Loan Facilities

S/N	Entrepreneurship Business	Frequency	Percentage (%)
	Commercial Transportation		
8	Keke-napep	87	24.8
9	Bus & Mini-bus	21	6.0
10	Taxi – Saloon car	30	8.6
	Total	*138*	***39.4***
	Traders/Farmers		
	Wholesalers/Retailers	62	17.7
	Timber traders	53	15.1
	Commercial Farmers	43	12.3
	Total	158	**45.1**
	Entrepreneurship Skills		
	Fashion Designers/tailoring	23	6.6
	Make-up Artist	31	8.9
	Total	54	**15.5**
	Grand Total	*350*	*100 (%)*

Source*: Research Field Work, 2018*

Table 5: Impact of Microfinance Institutions on entrepreneurship development in Enugu state

S/N	Item	$\overline{X}$	Decision
1	Reduced Youth Restiveness	*3.44*	**HE**
2	Reduced no of Unemployed Youth	*3.52*	**VHE**
3	Improved standard of living	*2.66*	**LE**
4	Increase Agricultural production	*3.24*	**HE**
5	Increase poultry investment	*3.56*	**VHE**
6	Reduced insecurity	*2.56*	**LE**
7	Promoting healthy competition	*2.77*	**LE**
8	availability of many means of Transportation	*3.76*	**VHE**
9	Encourages skills acquisition	*3.50*	**VHE**
10	Economic stability	*2.42*	**VLE**
	Grand Mean	*2.88*	**HE**

Source*: Research Field Work, 2018*

DISCUSSION OF RESULTS

Table 2 is the gender distribution of sample under study showing that female of 145 recipients (41.4%) is less than male recipients of 205 (58.6%) on accessing credit loan facilities from microfinance institutions in Enugu state. Table 3 is the age distributions of respondents. This revealed that age between bracket 18-25 years (37.1%) and 26-35 years (32.3%) access credit loan facilities than other age brackets in Enugu state microfinance entrepreneurship development. Table 4 indicated traders/farmers (45.1%) and commercial transportations (39.4%) are major beneficiaries of MFIs and entrepreneurship innovation business in Enugu state. Grand mean of 2.88 (*high extent*) revealed that MFIs have impacted adequately on entrepreneurship development of the state especially reduction of unemployment (3.52) and enough transportations medium (3.76) for easy movement of people in Enugu state.

CONCLUSION

The study discussed impact of microfinance institutions on entrepreneurship development in Enugu state, South East Nigeria. Microfinance Institutions are established with objective to bridge the financial gap often created by the dearth of capital brought about by the inability of the conventional banks to finance and support the Small and Medium Scale Enterprises in the economy. These development objectives generally include one or more of the following; to reduce poverty, to empower women or other disadvantaged population groups, to create employment, to help existing business grow or diversify their activities and to encourage the development of a new business. Most of the challenges are; lack of knowledge, lack of patent laws, high cost of doing business in Nigeria and inappropriate incentive structure. Microfinance institutions have created impact on youth entrepreneurship empowerment through credit loans and training on: commercial transportation business, petty business, agricultural scheme loan, education credit loan and entrepreneurship skills acquisition.

RECOMMENDATIONS

From the discussion of the study on microfinance institution impact on entrepreneurship development and challenges, the following are recommended for the study:

1) Microfinance institutions should be properly streamlined in our economy as major government institutional framework for entrepreneurship development. This will enable them to reduce interest rate on their credit facilities. So that more unemployed youth in the Enugu South East region of Nigeria can access the loan facilities and be able to repay back.
2) Adequate training of entrepreneurial who wants to start up a business should be compulsory before they can access fund or loan. This is because many youths who want to start-up a business do not know or have idea of any business plan. This has become a hindrance to them.

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