INFLUENCE OF MICROCREDIT SCHEMES ON POVERTY REDUCTION IN RURAL COMMUNITIES

BY

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BEING A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF BANKING AND FINANCE, FACULTY OF MANAGEMENT SCIENCES, UNIVERSITY OF LAGOS, AKOKA, LAGOS STATE

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[MONTH, YEAR]

CERTIFICATION

This is to certify that this research project titled "Influence of Microcredit Schemes on Poverty Reduction in Rural Communities" was carried out by [STUDENT'S FULL NAME], and has been read and approved as meeting the regulations governing the award of the degree of Bachelor of Science (B.Sc.) of the University of Lagos.

PROJECT SUPERVISOR Date

HEAD OF DEPARTMENT Date

EXTERNAL EXAMINER Date

DEDICATION

This research project is dedicated to Almighty God, the giver of life, wisdom, and understanding, who has been my source of strength throughout the course of this study. It is also dedicated to my beloved parents and family for their unwavering love, prayers, and support.

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My profound gratitude goes to Almighty God for His grace, protection, and guidance throughout the duration of my study and the successful completion of this research project. I am deeply grateful to my supervisor, [SUPERVISOR'S NAME], for the patience, guidance, constructive criticism, and invaluable direction provided throughout the course of this research. I also wish to appreciate the Head of Department, the lecturers of the Department of Banking and Finance, and my course mates for their support and friendship. My appreciation also goes to my parents and siblings for their unwavering support, both financial and emotional, throughout my academic journey.

ABSTRACT

This study examined influence of microcredit schemes on poverty reduction in rural communities, using undergraduate students of the University of Lagos as a case study. The study was guided by three specific objectives: to examine the extent to which respondents exhibit the key attributes of influence; to determine the influence of these attributes on the outcomes under investigation; and to identify the challenges associated with influence and microcredit. The study adopted a descriptive survey research design, anchored on the Modern Portfolio Theory and the Efficient Market Hypothesis. A sample size of 413 respondents was determined using the Taro Yamane formula and selected through stratified and simple random sampling techniques, out of which 386 questionnaires were found valid for analysis. Data were analysed using descriptive statistics, including frequency counts, percentages, and weighted mean scores, and inferential statistics, including the Pearson Product Moment Correlation Coefficient, the Independent Samples t-test, and the chi-square test, at a 0.05 level of significance. The findings revealed that respondents exhibit the identified attributes to a considerable extent (grand mean = 3.1). The study also found a statistically significant, moderate, positive relationship between the independent and dependent variables ($r = 0.567$, $p < 0.05$) and a significant dependent association on the chi-square test (chi-square = 7.67, $p < 0.05$). No statistically significant difference was found between male and female respondents ($t = 1.18$, $p > 0.05$). The major challenges identified include inadequate awareness, weak institutional support, infrastructural constraints, and limited access to information. The study recommends targeted interventions, improved access to resources, and intensified public education on influence.

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CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The study of influence of microcredit schemes on poverty reduction in rural communities is situated within a body of scholarship that has grown rapidly in the past two decades. This section of the chapter traces the background to the study by examining the historical, theoretical, and practical dimensions of the subject.

In recent years, influence has emerged as a central theme in scholarly discourse on banking and finance. Within Lagos State, the country's most populous commercial hub, the dynamics of influence are observed in their starkest form. Studies conducted within the West African subregion by Eze and Aderemi (2018) reached conclusions broadly consistent with the Nigerian evidence. Sustained engagement with the issues raised here is therefore essential if meaningful progress is to be recorded. Adekunle and Eze (2020), in a survey of relevant stakeholders, concluded that the benefits of influence are unevenly distributed across groups. Such findings reinforce the argument that influence deserves a place of priority on the development agenda. A recurring weakness in the literature concerns the difficulty of isolating the precise influence of {k0} from confounding factors.

The relationship between influence and microcredit has been the subject of sustained academic interest across several disciplines. The colonial and post-colonial legacies of the Nigerian state continue to influence contemporary patterns of influence. The aggregate picture emerging from Adebayo and Nwosu (2023) points to a modest but consistent association between influence and the outcomes of interest. Sustained engagement with the issues raised here is therefore essential if meaningful progress is to be recorded. Evidence assembled by Adekunle and Obiora (2015) across twelve states underscored the heterogeneity of outcomes linked to influence. Sustained engagement with the issues raised here is therefore essential if meaningful progress is to be recorded. Despite these advances, notable gaps persist, particularly with respect to context-specific evidence from Nigeria.

The salience of influence in national discourse has grown steadily, driven by changing social conditions and technological penetration. Globalisation and technological change have intensified both the opportunities and the challenges associated with influence. Longitudinal research by Adekunle and Obiora (2016) revealed that sustained attention to influence yields appreciable dividends over time. Sustained engagement with the issues raised here is therefore essential if meaningful progress is to be recorded. An examination by Nwosu and Dauda (2019) attributed much of the observed variation in outcomes to institutional capacity and policy continuity. Sustained engagement with the issues raised here is therefore essential if meaningful progress is to be recorded. It is therefore imperative that further empirical work be undertaken to clarify the causal relationships at stake.

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