Contribution of Microfinance to GDP in Nigeria: Is There Any?

Abraham, H*

Balogun, I.O**

Abstract

The study attempts to mirror the state of the institutions since 2006. The growth of microfinance in Nigeria is phenomenal with over 900licensed institutions mostly operating in urban areas. Though some microfinance banks have come and gone, there is still some vibrant ones providing services to their clients. Where is the strength of this industry in Nigeria? It is observed that providing the poor with good service, professional monitoring, supervision in accordance with best practice and a virile media is the key. Though the contribution of the financial sub sector of the Nigerian economy is below 1%, but there is room for improvement.

Key words: credit, economy, microfinance, repayment, sustainable

Introduction

There is consensus in the literature that micro credit is different from microfinance, though some authors do use them interchangeably. Micro credit, according to Bogan, et al (2007) denotes small loans to the poor and is a component of microfinance. However, according to the Microfinance Gateway, micro credit refers to very small loans for non-wage borrowers with little or no collateral, provided by legally registered institutions. But refer Microfinance to microcredit, savings, insurance, money transfers, and other financial products targeted at poor and low-income people. This introduces legality, which by implication means government control.

The Central Bank of Nigeria, as the regulatory and supervisory apex bank for the financial system, came up with the 2005 microfinance policy for the operation of this sub-sector of the financial sector, in line with global trends. Various studies, commissions and study tours were undertaken to gather reliable information that would help in the formulation of microfinance regulation policies in Nigeria. Some incentives were provided to encourage banks and state and local governments to provide credit to the rural sector of the nation's economy (CBN, 2008). To what extent has the microfinance institutions changed the financial access in the Country? The answer to this in terms of its contribution to GDP is the aim of this paper. Three section follows- brief on past micro-credit efforts of government, present outlook and conclusion.

Past Microcredit Programmes in Nigeria

The presence of poverty in Nigeria necessitates an improvement in the life of the people to enhance their welfare, especially the poor (estimated to be about 40% of the country's population). Attempts have been made since the 1970s by various ruling governments to improve the welfare of the populace but these have shown little success as a large percentage of people still live below the poverty line. The government has put in place some form of microcredit that can spur socio-economic growth through income generating activities of the poor (Arizona-Ogwu, 2008)

The country has the Rural Banking Programme, Sectoral Allocation of Credits, the Agricultural Credit Guarantee Scheme, the Nigerian Agricultural and Co-operative Bank (NACB), National Directorate of Employment (NDE), Nigerian Agricultural Insurance Corporation (NAIC), the Peoples Bank of Nigeria, Community Banks, the Family Economic Advancement Programme and the National Poverty Eradication Programme (NAPEP) (CBN, 2005).

*Abraham is a professor of Economics at School of Economics, University of Cape Town.

**Balogun is at School of Economics, University of Cape Town (corresponding author- tunjisco8@gmail.com)

However, the successes of these programmes have been minimal (Anyanwu, 2004; Arizona-Ogwu, 2008; Mohammed and Hasan, 2008; Iganiga, 2008).

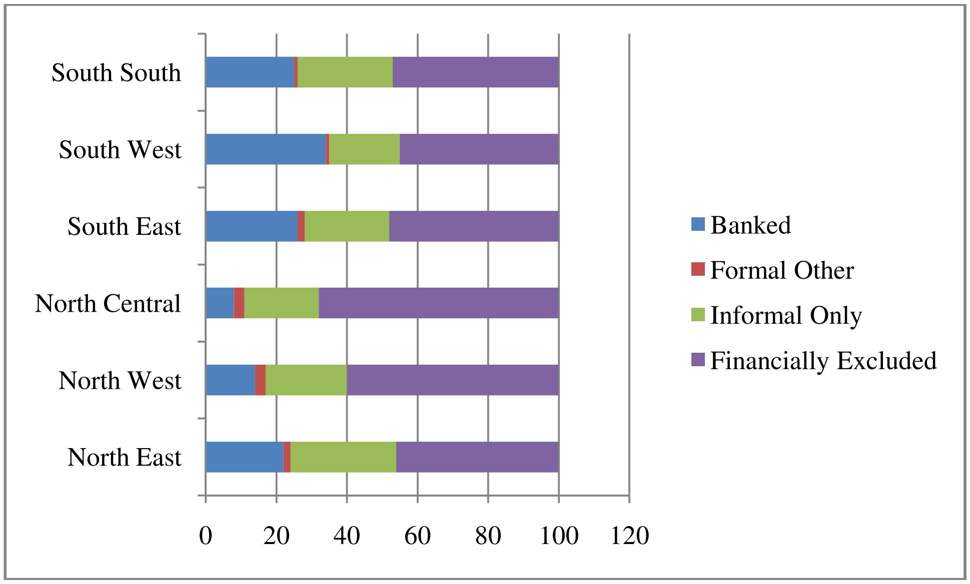
These initiatives have largely failed not because the people refuse to use them but because of the inability on the part of government and operators of such programs to meet the demands of the people (Anyanwu, 2004; Iheduru, 2002). Sometimes government appointments to the boards of directors of the aforementioned programmes are politically motivated when such services demand qualified personnel. The consequence of such appointment is that the credit scheme would be run inefficiently and decisions may not reflect the goals of the scheme but inspired by political interest. Similarly, those in power have influenced the process by granting credits to those who did not qualify for credit facilities, thereby giving them undue advantage. For instance, the use of quota system which was to redress inequality in distribution of national resources but misapplied lowering the criteria for some northern geopolitical zone and increasing it for the southern zone. There are instances where the location of such programs is politicized. For example, the Peoples Bank, had 279 branches in 2001 with 71 mobile Banks, but some of these branches were established purely for political reasons and not because they were viable in the localities. The economic factors for localization of business enterprise are ignored for political factor that eventually made such ventures a dead weight to the government. Though it is a government sponsored microcredit institution, its usefulness has been short-lived because of frequent changes in the board of the bank. There is a history of poor loan recovery rate with government sponsored credit schemes in the past because borrowers assumed that such money was a way of distribution of national revenue and it would be written off with time as nobody was prosecuted for failing to repay his/her loan. The overhead cost was in excess of earning from the schemes necessitating government bailout (Iheduru, 2002, Arizona-Ogwu, 2008).

Political instability (more military rule than democratic government since 1960) contributed negatively to the various micro credit programs operating in the country, as changes of government led to the introduction of other initiatives purportedly aimed are the poor. For instance, the government introduced the Better Life for Rural Women project during President Babangida's regime (1985-1993), the Family Support program (later renamed the Family Economic Advancement Programme) during the Late General Abacha's reign (1993-1998) and President Obasanjo's regime introduced the National Poverty Eradication Programme (1999-2007). The changes would not be necessary if there was continuity in government services to the people. The usual excuse given by new governments is the inefficiency of the previous programme in meeting its objectives. However, the enabling platform was not there in the first place. In fact, the new programs instituted by incumbent governments were not any more successful than former programs, but rather a waste of national resources.

The Present State of Microfinance in Nigeria

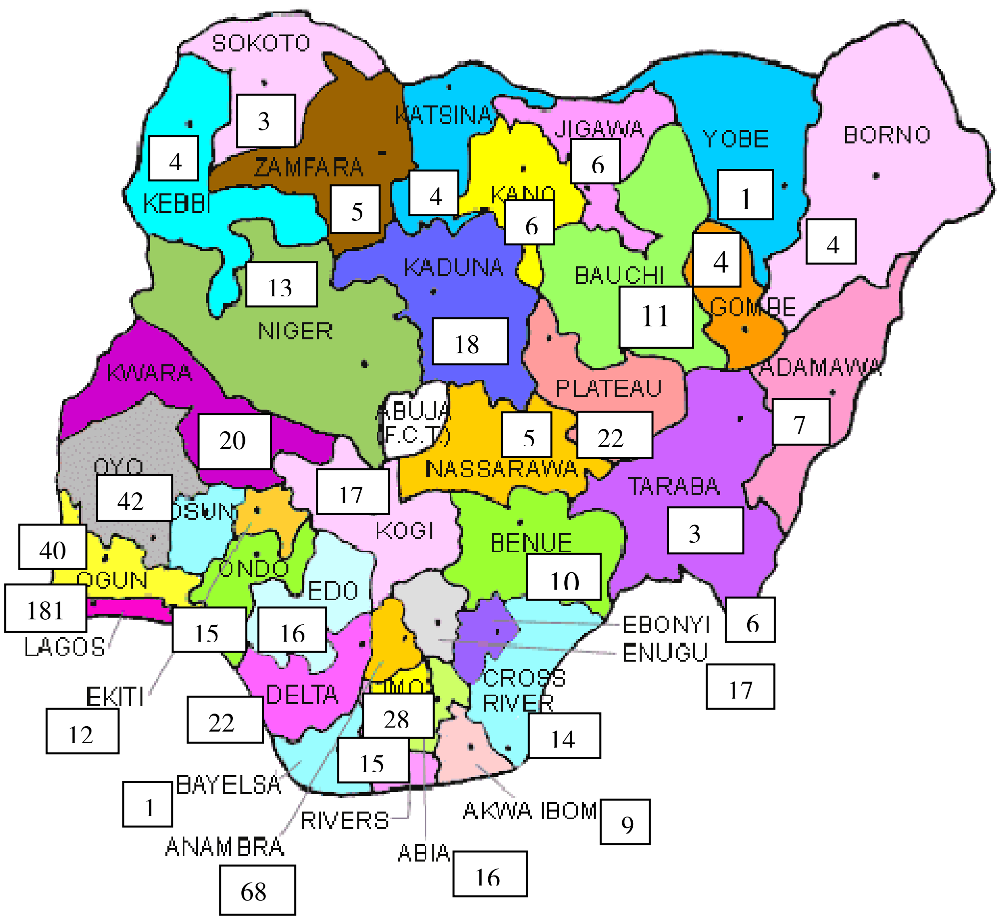
According to Gaul, 2011, the number of MFIs in the south is more than those in Northern part of the country. The number of microfinance institutions in Lagos (24.8%) of the total MFIs in the country. The population in Kano state is higher than that of Lagos state (181 MFIs) but Kano has only 6 MFIs. Abuja having the least population has (48) the third highest number of MFIs coming behind Anambra state with 68. The implication of this is that population density has nothing to do with the number of MFIs but revealed the extent of unbanked population (EfinA, 2009). The North West has the highest percentage (68%) of unbanked people, followed by North East (60%), South East (48%) and South West the least 45%.The reasons for the higher rate of unbanked people in the Northern zone is partly due to cultural, educational and reluctance to change from Islamic mode of living to modern ways in which there is no gender discrimination in access to socio – economic and political resources (fig.1). The banked are more in the southern zone where the number of the literate higher and there is less stress on religious discrimination based on gender or acceptance of modern ways of life. There is likelihood of strong correlation between literacy rate and access to finance as could be observed that the states with the least literacy rate area also with the least access to finance. For instance, Lagos state with 95% literacy rate, 97%, 7.7% of mobile phone and internet users respectively have above 180 MFIs as compare to Katsina state having 4 MFIs, 29.6%, 36.0% and 1.5% literacy rate, mobile phone and internet users respectively. Therefore, microfinance operators and clients are concentrated in the southern zone of the country (see table 1).

Fig. 1.0 Access Strand by Geopolitical Zone



Source: EFInA Access to Financial Services in Nigeria 2008 survey

Fig 1.1 Mapping of MFIs in Nigeria



Source: Map from www.nigeriannews.com2 and MIX Market for MFIs number

Table 1. States' socio-economic indicators (MIX Market,2012)

State	Population	No. of MFIs	Internet	Mobile	Literacy
ABIA	2,845,380	16	8.7	95.9	87.4
ABUJA	1,406,239	48	16.8	84.4	67.1
ADAMAWA	3,178,950	7	3.8	70.8	58.4
AKWA IBOM	3,902,051	9	6	81.6	81.7
ANAMBRA	4,177,828	68	10.8	97.2	78.2
BAUCHI	4,653,066	11	1.1	60.7	36.6
BAYELSA	1,704,515	1	6.7	86.7	75.1
BENUE	4,253,461	10	8	66	66.5
BORNO	4,171,104	4	1.5	37.8	37
CROSS RIVERS	2,892,988	14	4.1	88.4	75.9
DELTA	4,112,445	22	7.2	95	85.4
EBONYI	2,176,949	6	3.9	77.9	73.1
EDO	3,233,366	16	7.7	95.3	91.1
EKITI	2,398,957	12	6.6	88.9	77.5
ENUGU	3,267,837	17	12.4	72.1	68.1
GOMBE	2,365,040	4	6.2	66	75.1
IMO	3,927,563	28	3.9	96.5	89.9
JIGAWA	4,361,002	6	1.4	59.2	47.9
KADUNA	6,113,503	18	2	46.8	55.4
KANO	9,4O1,288	6	1.3	58.9	68.3
KATSINA	5,801,584	4	1.5	36	29.6
KEBBI	3,256,541	4	0.4	46.7	55.8
KOGI	3,314,043	17	5.2	82.2	59
KWARA	2,365,353	20	5.5	84.7	54.9
LAGOS	9,113,605	181	26.4	97.8	95
NASARAWA	1,869,377	5	4.1	75	59.4
NIGER	3,954,772	13	9.3	83.6	46.4
OGUN	3,751,140	40	8.9	86.1	73.8
ONDO	3,460,877	15	2.9	87.9	81.4
OSUN	3,416,959	26	8.3	96.1	73.1
OYO	5,580,894	42	9.6	84.3	71
PLATEAU	3,206,531	12	2.2	58.5	71.2
RIVERS	5,198,716	15	11.2	88.2	86.8
SOKOTO	3,702,676	3	0.2	40.5	48.6
TARABA	2,294,800	3	3.2	31.3	56.7
YOBE	2,321,339	1	1.4	31.7	39.6
ZAMFARA	3,278,873	5	1.9	33.9	70

The emergence of micro credit in Nigeria cannot be pinned down to a particular date as people have some form of credit system rooted in their culture. There is the informal self-help group or rotating savings and credit associations (ROSCAs). Among the people in the South West there is Esusu, the Hausas in the Northern part of the country have Adashi and the Igbos in the Eastern part have the Etoto (Canagarajah, and Thomas, (2001); NBS, 2005; CBN, 2000; Anyanwu, 2004). The scope of the informal credit system has not been ascertained in the country. An informal credit system has thrived in the country because the formal banking system is beyond the reach of many who therefore patronize informal financial institutions (from fig.1 south south – 27%, south west - 20%, south east – 24%, north east -23%, north west – 21%, north central- 30%).

The informal credit system that has been with the people could not be properly developed to formal institutions as the Northern part data shows the low readiness for modernization. Though some people are advocating for microfinance that follows the tenets of Islam as that will give more room for its penetration in the zone where the religion is dominant (Mohammed, and Hassan, 2008).

In order to streamline the activities of the informal financial sector the government initiated several programs and incentives to inject funds into rural areas. Formal credit systems began for the poor with the inauguration of the Nigeria Agricultural Cooperative Bank (NACB) in 1973, and the Agricultural Credit Guarantee Scheme (ACGS) in 1977. Others include the Rural Banking Programme, the National Directorate of Employment (NDE), the Peoples Bank of Nigeria (PBN), the Community Banks (CBs), the Family Economic Advancement Programme (FEAP) and the National Poverty Eradication Programme (NAPEP), (CBN, 2005, Iheduru, 2002). The ACGS was under the apex bank and the conventional banks were outlets for its loans to farmers. Efobi and Osabuohien, (2011) said the involvement of the formal banks and microfinance institution have not dramatically change its low impact on the economy.The NACB (now NACRDB -Nigeria Agricultural cooperative and Rural Development Bank) was established to provide credit to farmers, cooperative societies and other rural entrepreneurs. They said further that "*as at 2004, 11 out of 25 universal banks in the country are already participating in this scheme, while 669 eligible micro credit institutions have joined the scheme.*" The share of commercial banks loans to agricultural sector was below 10% 1998 to 2007, which indicates the substantial participation of institutions have not change the loans pattern to favour the farmers or the poor. The notable vulnerability of the rural sector of the economy to adverse economic situations led to the setting up of the Nigerian Agricultural Insurance Corporation in 1993 but no much change in response to such safety valve provided.

Literature on the role of microfinance institutions (MFIs) in the reduction of poverty abounds - including both theoretical and empirical studies. However, in Nigeria the actual poverty reduction impact of these institutions has not been examined, and studies have only documented the number of people reached (Ayanwu, 2004; CBN, 2000; Iganiga, 2008; USAID, 2007). The objectives of the CBN's policy on microfinance, formulated in 2005 are to:

Make financial services accessible to a large segment of the potentially productive Nigerian population who otherwise would have little or no access to financial services;

Promote mainstreaming of the informal sub-sector into the national financial system;
Enhance service delivery by microfinance institutions to micro, small and medium entrepreneurs;
Contribute to rural transformation; and
Promote linkage programmes between universal/development banks, specialized institutions and microfinance banks.

Table 1.1 shows that the number of MFIs does not correspond to population. If MFIs' mission is outreach, one would expect that more MFIs should be in Kano with the highest population. Lagos state with second highest population has the highest number of MFIs as well as internet, mobile users and literacy rate. Therefore, the access to finance is beyond ordinary number of people but also who they are- educated, internet and mobile phone users with willingness to borrow. Both demand and supply forces are responsible for the low rate of microfinance banks in the Northern areas of the country. The operators are mindful of the demand expectation from the zone, hence the minimal number of institutions operating compare to the southern area. The type of financial credit needed in the zone is such that meet their socio- cultural and political orientation. Majority of the people in the area would prefer microfinance that operates on Islamic tenets (Mohammed and Hassan, 2009).

Similarly, the percentage of adults without financial service/product knowledge is high (fig. 1.0 and 1.2) who are supposed to be potential clients (demand side). Since they are not aware of financial service they cannot have effective demand for the services offered by MFIs operators, which means the institutions may not have enough customers to make their operations more viable.

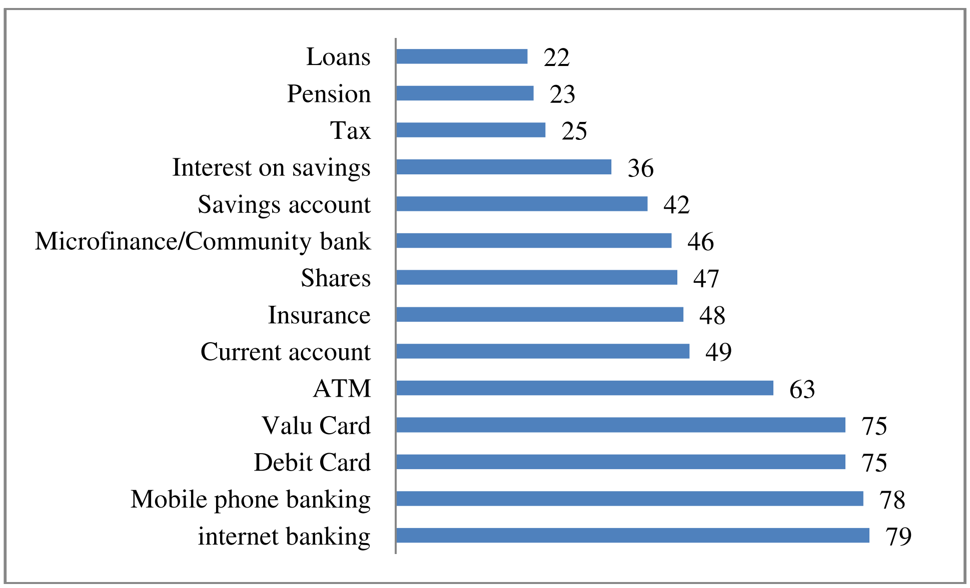
Rural transformation through microfinance institutions is difficult to assess now as majority of them operate in the urban areas. With over 900 MFIs in Nigeria, the locational/operational addresses of 90% of these institutions are in the state capital and the rest in some local government headquarters (Gaul, 2011). Therefore, the rural transformation if any is at low rate.

Linkage programmes between universal/development banks, specialized institutions and microfinance banks are still minute as the most visible is the commercial banks floating microfinance banks in the urban areas. This implies competition not linkages (Ana, 2009).

The above objectives are an important component of the policy, but sound strategies must be put in place to ensure that the system is self-sustainable over time. This is imperative since previously established community Banks or government backed microfinance institutions were observed to have failed because of a lack of adequate professional staff, high administrative costs, inappropriate expectations from the poor, uninformed or illiterate clients, and a lack of institutional viability as they depended on the largess of government and donor agencies to operate (Okoye, 2005b; Oji, 2005; Iganiga, 2009; Bamisile, 2006). However, financial self-sufficiency is the necessary condition for institutional sustainability as this implies the ability to meet operating costs while still serving clients. There is the view that investors will increase their investment in the market if only they are patient because the markets for their services are available. Once they are able to supply the right product to the right people, the returns will follow (Schreiner, 1996; 1997; Ana, 2009).

Nigeria has 986 microfinance banks that are licensed by the CBN to operate within the country (Mix Market, 2011). The data does not give a list of MFIs that are in operation, only those licensed to operate. Lagos has the highest share with 19.14% of the total and more than half of the microfinance banks are in the South (79.62%). The Northern part of the country, with over 46% of the nation's population, has 20.38% (201 of 986) of the MFIs in the country. The literacy rate in this zone is below that of the southern part, and women participate in the public sphere less in this area (the Purdah system of seclusion of women from the sight of men or strangers practised by some Muslims is still strong in this zone). These factors may account for the small percentage of licensed microfinance banks in this region.

Figure 1.2 Percentage of adults who have never heard of the listed services and products



Source: EFInA 2008 FinScope survey

Although the objectives of the CBN was to provide financial services to those not having access to such services, many of the licensed MFIs are in urban areas, which means the core poor in rural areas still have to wait to be served (Gaul, 2011; Adegbola and Gaul, 2012). An evaluation of how far the target policy of the Apex bank to the objectives was carried out by Adegbola and Gaul, (2012) their findings (table1.2) shows the share of microcredit as percentage of total credit is below 1% even lower than 2005 of 0.9%. Similarly, the economy is insignificantly affected by share of microcredit to GDP at 0.24% after 5 years if in 2005 it was 0.2%. Local government coverage is 37% which means the MFIs must double their efforts to be able to have 67% coverage by2015.

Table1.2 Microfinance Policy Target Assessment of CBN

Target	Target level	Current level	Data sources
To increase access to financial services of the economically active poor by 10 per cent annually	10% growth	Not available via public sources	
To increase the share of microcredit as percentage of total credit to the economy from 0.9 per cent in 2005 to at least 20 per cent in 2020; and the share of microcredit as percentage of GDP from 0.2 per cent in 2005 to at least 5 per cent in 2020	Microcredit / total credit = 20%	0.57%	CBN Statistical Bulletin Tables 4.5 and 8.1
	Microcredit / GDP = 5%	0.24%	CBN Statistical Bulletin Tables 4.5 and 1.1
To ensure the participation of all States and the FCT as well as at least two-thirds of all the Local Government Areas (LGAs) in microfinance activities by 2015	100% states coverage	100%	CBN bank listings
	67% LGA coverage	31% (= 242 / 774)	MIX Nigeria site
To eliminate gender disparity by ensuring that women's access to financial services increase by 15 per cent annually, that is 5 per cent above the stipulated minimum of 10 per cent across the board	15% growth	Not available via public sources	

Source: Adegbola and Gaul, 2012.

According to EfinA, (2009) there are more male users (65%) of microfinance banks than women in Nigeria and 52% users resides in the south west. The implication is that more aggressive campaign is needed to include more women (as women are majority of clients MFIs in most countries) and the northern part into the services of MFIs. The CBN's success with the promotion of synergies and mainstreaming of the informal sub-sector into the national financial system is difficult to assess, as the informal lending sector is still predominant in rural areas and local moneylender are still in business (Attah, 2008, EfinA, 2009). The CBN instituted the annual micro – entrepreneurship awards in 2007 in an effort to promote and ensure service delivery to micro, small and medium entrepreneurs across the nation. Similarly, the apex bank has constituted the Nigerian Microfinance Policy Consultative Committee (NMFPCC) which is mandated to undertake the tasks of watch dog for the industry.

The NMFPCC is expected to serve a threefold function by being a link among government, clients and the microfinance operators. It is important for the efficient working of the sector that the committee should be able to discharge its duties impartially to the benefit of the sector.

The Micro Credit Fund (MCF) was inaugurated on February 12, 2008 by the Federal government of Nigeria as part of the government's strategies to support lending to micro, small and medium enterprises in the country. The aim in establishing this fund was to ensure that financial resources get to those who need them, and to help the tiers of government to meet the microfinance policy requirement of 1% budget allocation to microfinance and to empower the sector's operators to administer the fund properly. However, no data is available on what benefits this fund has given to the sector since its inauguration. The Committee of Microfinance Banks in Nigeria (COMBIN) is the umbrella association of MFIs in the country.

The Committee serves as a forum for interaction between the regulators and the operators in the microfinance industry and has the Managing Directors/CEOs of all MFBs and officials of the regulatory agencies as members. The committee is also meant to help in the effective supervision and operation of microfinance banks in the country, especially in areas of compliance with the regulatory policy of the Microfinance banks (Fabamwo, 2008).

The CBN warned the public in April 2010 that:

> *"… there has been an upswing in the activities of unscrupulous people parading themselves as fund managers/finance companies to swindle members of the public of their hard-earned funds. Unfortunately, many people out of ignorance have fallen victim of the activities of those illegal institutions. Consequently, members of the public are hereby advised to ensure that they confirm the status of any company offering alluring incentives and interest rate on deposits/investment from the CBN or SEC before entrusting their money with them, anyone that patronizes the unlicensed institutions does so at his or her own risk."*

The above statement showed that the CBN is alert to its corporate obligation. Nevertheless, Sanusi, (2010) and Atonko, (2010) are of the view that the apex bank is weak in its supervision of MFIs as five MFI operators closed their offices in December 2009 without the public being informed of the reason(s) for their closure. The CBN also announced the withdrawal of licenses for 224 microfinance banks in the country following an audit by the apex bank (Radio Nigeria, 22/09/ 2010). This signals that the MFI sector is not totally sound, if 224 out of 768 MFIs have withdrawal of their licenses. This can create the problem of panic withdrawals that can lead to a bank run, since most people may not know which institutions are affected by the license withdrawals (Diamond, 1983, 2007).

In the heat of an increasing number of MFIs operating in an unsustainable manner and the unwillingness of CBN to bail them out, the Lagos State chapter of the National Association of Microfinance Banks set up an Intervention Fund to assist members having liquidity problems (Agwuegbo, 2010). The sustainability of MFIs is under trial. However, some are blaming it on the customers, who have a tendency to default on loan repayments, are uneducated with regard to how to manage their business activities, give false information to qualify for loan approval and are uninformed about the activities of MFIs (Akowe, 2010; Iganiga, 2008; Okoye, 2006b)

According to Sams, (2010), MFIs' performance is poor because of the operators' lack of understanding of the guidelines of the microfinance policy and the regulatory framework. Another cause is the high rate of non-performing directors as well as directors' strong influence on management staff. Others have identified a lack of good governance in MFIs, investment in fixed assets at the expense of sound financial management and the poor national financial infrastructure (Alegieuno, 2008; Ehigiamusoe, 2008; Lawson, 2008; Sanusi, 2010). The lack of knowledge of the operation of microfinance institutions amongst staff of these institutions compelled the CBN to introduce compulsory certification for all management staff as a requirement to operate in the country. This was part of the requirements for approval of a license to operate. In 2010 the CBN enforced this existing regulation, which was neglected or downplayed in the past but has become relevant in the wake of symptoms of distress in the MFI sector.

Conclusion

However, there are structural defects in the regulatory and supervisory framework for MFBs, as some of its provisions created room for failure. The regulation states that all community banks are to transform into microfinance banks by raising their capital base from N5million to N20 million, in addition to other requirements. The regulatory policy did not, however, provide sanctions for community banks that failed to meet the requirement to settle all their depositors. Those who were unable to raise the capitalization created a bad image for those who transform and other MFIs that were operating in the country. Hence, there is a likelihood of MFIs' customers' defaulting or not transacting business with them. This is because many customers of the failed community banks did not get back their deposits, and their deposits were not insured with the Nigeria Deposit Insurance Corporation. Similarly, the level of capitalization should depend on the geographical coverage of the microfinance banks.

The MFIs operating in Lagos, Abuja and Port Harcourt should require a special capital base as these locations are higher costs environments in Nigeria than others places and some of the reported cases of failed MFIs are from these locations (Atondo et al, 2010). Closely connected with this is the expensive outlook of some MFI operators in terms of office accommodation, furniture and fittings as well as official vehicles. Such high profile operation means higher costs of operation which is not in tune with the (simple) lifestyles of their customers or model expected for microfinance institution (Akomolafe, 2011; Chandrasekhar, 2009).

There is much room for improvement to contribute to the domestic economy in the future, if the business environment is better than what it is now, adherence to best practices in the industry, and constructive mass media reports on issues relating to this fragile sub sector. The market for mobile banking is substantial if the customers are educated to integrate into this innovative banking as 11 mobile money banks are already licensed.

References

Adegbola, O. and Gaul, S. (2012) "Nigeria: exploratory analysis of local needs and microfinance supply" Microbanking bulletin.

Agwuegbo, A. (2009) Nigerians are bad borrowers, Oloye – accessed from http://www.vanguardngr.com/2009/12/nigerians-are-bad-borrowers-oloye/

Akowe, T. (2010) "Microfinance Banks Vital for Poverty Alleviation" - The Nation Newspaper of 26/05/2010 - accessed from http://thenationonlineng.net/web2/articles/47737/1/microfinance-banks-vital-for-poverty.

Alegieuno, J. (2008) 'Sources of Funding for Small Scale Enterprises.' The Nigerian Microfinance Newsletter, Publication of Central Bank of Nigeria, Jan – Jun 2008

Ana, I. C. (2007) "The Thrills, Challenges and Way Forward for Microfinance Banking In Nigeria" The Nigerian Microfinance Newsletter, Publication of Central Bank of Nigeria, July – December 2007

Anyanwu, C. M. (2004) "Microfinance Institutions in Nigeria: Policy, Practice and Potentials" A Paper Presented at the G24 Workshop on "Constraints to Growth in Sub Saharan Africa" Pretoria, South Africa, Nov. 29-30, 2004.

Arizona-Ogwu, L C, (2008) "CBN and Microfinance Banks: Setting a Robust Village Economy" Business and Economy, Vanguard Newspaper, of 15/01/2008

Attah, J.A.A. (2008) 'Banks' Contribution to Agricultural Development' The Nigerian Microfinance Newsletter, Publication of Central Bank of Nigeria, Jan – Jun 2008

Atonko,B, Ekundayo, K. and Agabi, C. (2010) "When Fraudsters take over Microfinance Banks." Daily Trust, 01 May 2010.

Bamisile, A. S. (2006) "Developing a Long Term Sustainable Microfinance Sector in Nigeria: the way forward". Washington, D. C. USA, October 23-27, 2006

Bogan, V. et al. (2007) 'Does Capital Structure Affect the Financial Sustainability of Microfinance Institutions?

Canagarajah, S. and Thomas, S. (2001) "Poverty in a Wealthy Economy: The case of Nigeria" *Journal of African Economies*, Vol.10.No.2. 143 -173

Central Bank of Nigeria, (2000) "The Changing Structure of the Nigerian Economy and Implications for Development." CBN, Publication.

Central Bank of Nigeria, (2001) CBN - Annual Report. CBN, Publication.

Central Bank of Nigeria, (2005) "Microfinance Policy, Regulatory and Supervisory Framework for Nigeria" CBN Publication, December

Chandrasekhar, R. (2009) "Africa, Regulation, Transparency and Trends/Challenges" Accessed from http//www.microcapital.org/microcapital-brief-nigeria-deposit-insurance-corporation on 2010/09/16

Diamond, D. W. and Dybvig, P. H. (1983) "Bank Runs, Deposit Insurance, and Liquidity" *Journal of Political Economy,* vol.91, No.3:401-419

Diamond, D. W. (2007) "Banks and Liquidity Creation: A Simple Exposition of the Diamond-Dybvig Model. *Economic quarterly,* vol.93, No. 2:189-200.

Ehigiamusoe, G. (2008) 'Delinquency Management in Microfinance.' The Nigerian Microfinance Newsletter, Publication of Central Bank of Nigeria, Jan –Jun 2008

Fabamwo, O. A. (2008) 'CBN licenses 768 Microfinance Banks as at May 31, 2008" The Nigerian Microfinance Newsletter. Vol.6, January to June 2008. Publication of Central Bank of Nigeria

Iganiga, B. O (2008) "Much ado about nothing: The case of the Nigerian Microfinance Policy Measures, Institutions and Operations. *Journal of social Science*, Vol. 17, No.2 Pp 89-101

Iheduru, N. G. (2002) "Women Entrepreneurship and Development: The Gendering of Microfinance in Nigeria" A paper presented at 8th International Interdisciplinary Congress on Women, 21-26, July, Makerere University Kampala, Uganda. http://www.gdrc.org/icm/country/Nigeria-women.html

Komolafe, B. (2011) 'Seven flaws with Microfinance banking in Nigeria' Vanguard Newspaper, Sept. 12, 2011

Lawson, B, (2008) "Building a Vibrant Microfinance Bank: The Key Factors" in The Nigerian Microfinance Newsletter vol.6 Jan- June. A Central Bank of Nigeria Publication

Microfinance Gateway - accessed from http://www.microfinancegateway.org/

Mohammed, A. D. and Hassan, Z. (2008) "Microfinance in Nigeria and the Prospects of introducing its Islamic version there in the Light of selected Muslim countries' Experience" MPRA paper no. 827 – http://mpra.ub.uni.muenchem.de/8287/

National Bureau of Statistics (NBS), (2005) – Poverty Profile for Nigeria. A Nigerian government agency publication (formerly called Federal Office Statistics).

Oji, K. O. (2005) "Policy Needs in the Microfinance Sector: the Missing Angle" A paper presented at the African Institute for Applied Economics for Enugu Forum Policy Paper 7.

Okoye, C, (2005a) "Challenges of Microfinance Supply and Administration" A paper presented at the African Institute for Applied Economics for Enugu Forum Policy Paper 7.

---------- (2005b) "Situational Status of Microfinance Institutions" A paper presented at the African Institute for Applied Economics for Enugu Forum Policy Paper 7.

Radio Nigeria Online, (2010) "CBN to Fund Power Sector" - accessed from http://ww2.radionigeria.gov.ng/frnews-detail.

Sams, N. (2010) "Microfinance Bank Operators to be Trained" Retrieved from "http://234next.com/csp/cms/sites/Next/Money/Finance/5572921-147/microfinance_bank

Sanni, T. (2011) "NDIC Liquidates 103MFBs in Two Years" Thisday Newspaper of Nov. 23. Accessed from http://www.thisdaylive.com/articles/ndic-liquidates-103-mfbs

Sanusi,L. S. (2010)"The Nigeria Banking Industry: What went Wrong and the Way Forward" - Being the full text of a Convocation Lecture delivered at the Convocation Square, Bayero University, Kano. – CBN Governor's Speech.

Schreiner, M. (1996) "A Framework for Measuring the Performance and Sustainability of Subsidized Development Finance Institutions. Framework for DFIs

------------ (1997) A Framework for the Analysis of the Performance and Sustainability of subsidized Microfinance Organizations with Application to BancoSol of Bolivia and to the Grameen Bank of Bangladesh, unpublished Ph. D dissertation, The Ohio State University, www,microfinance.com

The MIXMarket, Information exchange for microfinance industry - www.mixmarket.org

USAID (2007) – Audit of USAID/NIGERIA's Microfinance Activities, (audit report no. 7-620-08-002-P), November 5, 2007