

Financial inclusion, microcredit and poverty alleviation among women in Nigeria

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Nigeria is one of the countries with the largest number of people living in extreme poverty in the World. With 50% of the population enduring poverty and unemployment rate of 23%, financial inclusion stands as 36% for women with 24% for men revealing a relative gender gap (EFinA, 2020). It is with this fact and figures that the Nigerian National Financial Inclusion Strategy (NFIS) was launched in 2012 to enhance overall financial inclusion to 80% of adult population thereby reducing exclusion especially on the part of women to 20% by 2020. The strategy aimed at including numbers of Nigerians without access to financial services so as to accumulate and mobilize bulk of deposits and savings outside the banking system which will form part of the investible fund that will promote productive activity thereby facilitating inclusive growth. In Nigeria, women are approximately 50% of the population and more than half can be found operating enterprises on small and medium scale level. Statistics from EfinA access to financial services in Nigeria 2018 survey revealed the regional distribution of Nigerian women with 22% from North West, 11% from North East, 12% from North Central, 26% from South West, 13% from South East and 17% from South South. Statistics also showed that 50 million Nigerian women are 18+ with data showing 59% living in the rural area, 42% primarily earn money from their own business with 57% that can read English comfortably.

Women has been identified in the literature as part of the missing link in the quagmire of development facing the third world countries based on the assertion that women consist of one-fourth of the industrial labour force and also account for more than half of the food produced in developing countries. In addition, women are responsible for fetching most of the household water and fuel wood with extra responsibility towards taking care of the children and household chores. Traditionally, women has been limited in what she can own, acquire or even aspire and these have subjected women to discrimination economically, socially and financially thereby hindering them access to basic aspirations of life. Based on the feminist movement in Europe around 18th century and human rights charter in 1948 by the United Nations where the rights of women were pronounced, African countries with Nigeria as a nation have contributed through policies and programmes aimed at empowering women and alleviating poverty. In Nigeria, programmes and policies have led to establishment of organisations such as community and people's bank between 1985-1993, family economic advancement programme (FEAP) in 1993, better life for rural women, poverty alleviation programmes (PAP), family support programme (FSP), National Women Commission (NWC) among others. Most of these programmes aimed at empowering and reducing poverty in order to enhance inclusive growth needed to boost economic growth and development.

In recent time, different working groups have been established in Nigeria to see to the achievement of financial inclusion among women such as the Financial Inclusion Channels Working Group (FICWG), Financial Inclusion Product Working Group (FIPWG), Financial

Inclusion Special Interventions Working Group (FISIWG) and Financial Literacy Working Group (FLWG). All the groups were constituted under the National Financial Inclusion Governance Structure with the aim of looking into gender related financial inclusion issues. Precisely in March 2018, based on the document published by the Central Bank of Nigeria (CBN) on framework for advancing women's financial inclusion in Nigeria, the National Financial Inclusion Special Intervention working group was given the responsibility to offer endorsements for addressing the high exclusion rates among women in Nigeria. Basically, the group is to develop an all- inclusive framework that offers a guide and scheme for women's financial inclusion. The framework is expected to have an additional reference point for Nigeria's Sustainable Banking principles with the motive of promoting women's economic empowerment through the process of gender inclusive workplace culture in operating business and specifically designed products and services for women. The framework is also expected to consider the international best practice in advancing financial inclusion among women in Nigeria through micro, small and medium sized enterprises (MSMEs) and people living in the excluded regions (North, East and North West).

The Central Bank of Nigeria (CBN) presented an ambitious goal of attaining financial inclusion of Nigerian adult women and men at equal levels by end of 2024 focusing on product development, financial education and consumer protection, leveraging of digital platforms and the proliferation of agent networks. Based on this, the achievement of financial inclusion was approached through gender lens which is expected to be feasible and tractable within a short to medium term taking into consideration the financial sector sphere. The short term focused on women's account ownership basically to reduce gender gap, while the medium to longer term will be deepened by building a culture of financial services usage by women across Nigeria. The achievement of the short, medium and long term goal of financial inclusion among women came with four issues identified by CBN. The issue identified as sources of interference are demand related barriers, supply related barriers, legal regulatory & supervisory barriers and financial & technical infrastructure barriers.

Often times, women entrepreneur experienced business failure, low return on investment, early exist, stagnant growth which basically is due to inadequate finance. More so, many women lack strategies to develop financial literacy and access external loan for their business sustainability. One major reason for this is as a result of stringent conditions imposed by commercial banks in Nigeria before giving out loans which most women cannot meet, thus giving room for women business owners to turn to sourcing for micro credit from Microfinance institutions. In the last decade, microfinance institutions have taken up the responsibility of empowering women by providing small loans, savings facilities, payment services, money transfers, insurance, training and information about running a business. This have triggered financial inclusion and micro credit scheme implementation among women in the bid to alleviate poverty. The involvement of microfinance banks in enhancing financial inclusion and disbursement of micro credit triggered the government of Nigeria to intervene by crafting out some schemes and introducing financial schemes managed by government agencies. This was with the aim of compelling the private sector-led banking industry to take part in the process of micro credit expansion for the enterprising poor among women.

Despite the effort put in place by the Nigerian government, statistics from EfinA Survey 2018 reveal that majority of women are still likely to depend on others for income and they are still more financially excluded than men. Few women made use of formal sources of credit, remittances and savings with majority mostly likely to rely on their children at old age. Most women in Nigeria still hide under the situation of unemployment in the country as a justification for not saving and using banks. In accessing micro-credit, most women claim that their spouse objected to their borrowing to start-up business and enhance their livelihood rather they prefer to use informal services such as savings/thrift collectors. Statistics also showed that only 1% of the women in Nigeria has insurance policy which does not assist in case of eventualities and unforeseen circumstances. In the aspect of information and communication technology, 84% of the Nigerian women have access to mobile phones than their male counterpart which gave the women the willingness to desire to learn new technology such as using of mobile money, micro-insurance, using electronic channel to pay for goods, services and bills. The major hindrance identified from studies revealed low levels of education, income and low trust in Financial Service Providers (FSPs) as a major setback to the achievement of financial inclusion among Nigerian Women.

In the bid to provide solutions to the four issues identified and the three major hindrance to advancing women's financial inclusion in Nigeria, the Central Bank of Nigeria developed eight strategic imperatives as considerable measures. The first strategy was aimed at implementing set of measures to support account opening by women on a large scale and in short term. The second strategy was targeted at enhancing capabilities and skills programs for low income women through financial and digital literacy in the context of specific financial behaviours and products. The third strategy focused on how to bring women customers close to home through expanding delivery channels to serve women. The fourth strategy is to mandate the development of systems towards gender disaggregated data collection in order to meet the needs of financial service providers and government regulatory supervisory authorities. The fifth strategy complete and consolidate the enabling environment required to advance Government Financial inclusion agenda through integrating a gender lens. The sixth strategy was aimed at developing financially sustainable products and delivery system targeted at low income women needs. The seventh strategy was directed towards promoting at industry level the expansion of Delivery Financial Service (DFS) and Fin-Tech solutions so as to improve women financial inclusion. Lastly, the strategy aimed at building a culture of women's leadership and staffing in financial institutions and other key agencies.

An important element in striving towards the broader goal of women's economic and social empowerment has been identified to be through micro credit and financial inclusion. It is basically a drive to improve livelihoods and fostering women's economic and social empowerment leading to prosperity for Nigerian women, their families and their communities. Women's usage of broad range of financial products and services stands as a valuable proposition and compelling if suited to their needs and delivered easily. Therefore, based on the identified strategies, the effort to drive financial inclusion through gender lens required the effort of broad range of financial sector and other well aligned stakeholders with the CBN saddled with the responsibility of overall leadership.

Reference

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