

Effect of Micro Credit Access on Poverty Reduction among Small Scale Women Entrepreneurs in Ondo State, Nigeria

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Abstract : The study analyzed the effect of micro credit access on poverty reduction among small scale women entrepreneurs in Ondo state, Nigeria. Primary data were collected in a cross-sectional survey of 100 randomly selected woman entrepreneurs. These were drawn in multistage sampling process covering four local government areas (LGAS). Data collected include socio economics characteristics of respondents, access to micro credit, sources of micro credit, and constraints faced by the entrepreneur in sourcing for micro credit. Data were analyzed using descriptive statistics, Foster, Greer and Thorbecke (FGT) index of poverty measure, Gini coefficients and probit regression analysis. The study found that respondents sampled for the survey were within the age range of 31-40 years with mean age 38.6%. Mostly (56.0%) of the respondents were educated to the tune of primary school. Majority (87.0%) of the respondents were married with fairly large household size of (4-5). The poverty index analysis revealed that most (67%) of the sample respondents were poor. The result of the Probit regression analyzed showed that income was a significant variable in micro credit access, while the result of the Gini coefficient revealed a very high income inequality among the respondents. The study concluded that most of the respondents were poor and return on investment (income) was an important variable that increased the chance of respondents in sourcing for micro-credit loan and recommended that income realized by entrepreneur should be properly documented to facilitate loan accessibility.

Keywords : entrepreneurs, income, micro-credit, poverty

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