

Enhancing Access to Microfinance for Housing Provision in the Informal Sector of North East Nigeria

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Abstract : The research aimed at investigating and identifying the strategies for enhancing access to microfinance for housing provision in the informal sector of North East Nigeria, with a focus on addressing the critical issue of housing poverty and lack of access to affordable housing finance among low-income households in the informal sector. The study employed an exploratory sequential mixed method design, combining both qualitative and quantitative data collection and analysis techniques. In the qualitative phase, 12 participants from microfinance institutions (MFIs) in four selected states (Adamawa, Bauchi, Gombe, and Taraba) were interviewed. The interviews were conducted using an interview guide with open-ended questions and were recorded with the consent of the respondents. In the quantitative phase, a survey strategy was adopted to collect data from 500 questionnaires distributed to informal sector workers (ISWs) in the study area. A total of 350 questionnaires were returned, representing a 70.0% response rate. The most preferred strategy for improving access to housing microfinance among ISWs is aggressive awareness of housing financing options by MFIs, with a mean score of 4.213; the most important strategy for improving access to housing microfinance among MFIs is close monitoring and adequate supervision of housing loan beneficiaries by MFIs, with a mean score of 4.675. The study identified several government-related strategies that are necessary for enhancing access to housing microfinance, including the provision of grants and subsidized intervention funds for housing, improvement in infrastructures to aid housing developments, and adequate measures for checking inflation/price fluctuation of building materials. The study also identified several MFI-related strategies that are necessary for enhancing access to housing microfinance, including deliberate expansion in the capital bases of MFIs, adequate training and capacity development of MFIs staff on relevant skills in housing micro-financing, and introduction of loan products that suit the incremental building needs of informal sector workers. Overall, the study highlights the need for a combination of government-related and MFI-related strategies to enhance access to microfinance for housing provision in the informal sector of North East Nigeria.

Keywords : finance, microfinance, housing, North East Nigeria

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