THE IMPACTS OF MICROFINANCE ON LIVELIHOODS OF WOMEN – A STUDY OF LAPO MICROFINANCE WOMEN CLIENTS IN MINNA, NIGER STATE, NIGERIA

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Lift above Poverty Organization (LAPO) is one amongst many Microfinance banks in Minna licensed by the central Bank of Nigeria, saddled with the responsibility of providing credit facilities to the active poor and low income women with the expectation of boosting the livelihoods of the beneficiaries. The research focused on measuring the impact of Microfinance credits on the livelihoods of LAPO women Clients in Minna Niger State. The study adopted a quasi-experimental strategy creating two independent groups known as treatment and control group to investigate the causal relationship between Microfinance as (Independent Variable) and Livelihoods as (Dependent variable).The difference between the two groups created is that one uses microfinance(Treatment group) and the other is without Microfinance (Control group). Quantitative methodology was adopted leading to dissemination and return of 120 closed ended questionnaires which represented 100% response rate. The respondents were examined based on their physical, human and financial assets in the periods before and after Microfinance intervention. The research findings were analyzed through the use of an independent T-test of SPSS package to investigate a comparison between the two groups. The P-value of > than 0.05 level of no significant differences between the two groups showed that they were comparable. The research showed a slight improvement on some of the selected household assets of the respondents in treatment group .However, the improvement was too minimal to have triggered positive impact of microfinance on the beneficiaries. Interestingly, it was discovered that additional income earned by the clients was what contributed to why their assets survived over the years. It was concluded that LAPO microfinance has no impact on the livelihood of the women.

Key words: Control group, Livelihoods Assets, Microfinance, Treatment group, Quasi-experiment

INTRODUCTION

Micro finance scheme has been operating in Nigeria as a poverty alleviation initiative since 1990's. It has been functioning mainly through informal financial activities with no established government policies and mechanisms for regulating and supervising the sector. The scheme was formally developed under the watch of central bank of Nigeria (CBN) in 2005 as a response to the failure of commercial banks and formal financial facilities to serve the needs of low-income households and small micro enterprises (Ikechukwu, 2012)**.** The central bank of Nigeria in 2005 confirmed that the formal financial system provides services to about 35% of the economically active population, while the remaining 65% are excluded from access to financial services. It is on this note that the National Microfinance Policy Framework was reviewed in 2011 to enhance provision of diversified services on a sustainable basis for the economically active poor and low income households specifically targeting women (Josephine, 2011)**.** Microfinance is one initiative that people assumes provide the poor, especially women with better opportunities to improve on their livelihoods as many of them have business ideas that requires capital to transform the idea into reality. The underlying assumption is that when loan is giving to the active poor, their income generating activities will be enhanced and by extension improve on the assets of the beneficiaries.

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Statement of the Problem

Many women in Minna have little or no access to credit in formal financial institutions due to low level of education or lack of inheritance which could serve as collateral .This has placed the economic condition of some of the women in a difficult state. Despite all odds, the women are known to be engaged in several income generating activities such as small businesses, menial jobs and any other unskilled jobs available. These efforts are part of their contribution in building the assets of the household. Their meager incomes are sometimes used for assisting their spouses in paying children school fees, health care, feeding, supplementing husbands' income as well as building other household's assets.

They are also found to be engaged in some type of savings and credit organized by informal financial institution known as *Esusu or ROSCA* which involves periodical contribution of a fixed amount with rotation of the funds among the members in the cycle, direct borrowings from friends and relations, daily contribution amongst others. ROSCA members make regular contributions which are usually given in whole or in part to each contributor in turn (Kabuya, 2015). These forms of savings and borrowings are very popular in many communities and cities in Africa. People use it as coping strategies in hard times and also to take care of lifecycle events.

In addition to the informal money lending organization listed above, a Micro finance bank named Lift above poverty organization (LAPO) amongst many other microfinance institutions assist the active women in small scale businesses through savings and credit facilities so they can be self-reliance. The bank offers loans to the active poor and low income households especially women who are easily reached in groups. The Studies conducted on Grameen bank's clients in Bangladesh shows that children of microfinance clients are more likely to go to school and stay longer in school than the children of non-clients. In addition it is also evidently stated in the work of (Khandker, 2005) that Microfinance scheme helps in the development and growth of the local economy and resulting to individuals and families being able to move beyond subsistence living and increase disposable income levels. Microfinance programs reaches out to the poor and they are able to reduce poverty by increasing individual and household income levels, as well as improving healthcare, nutrition, education, and helping to empower women. When standard of living increases, eradication of extreme poverty and hunger would both at individual and household levels be achieved as a result of microfinance programs (Ibid).

It is with these assumptions that the research was conducted to investigate the impact of LAPO Microfinance on the livelihoods of the women who benefits from their credit facilities. The objective of the study is to measure the impacts of the Microfinance on the livelihoods of the women. This was carried out by examining their various household assets to ascertain any changes that could be attributed to Microfinance intervention. It was also to check whether the Microfinance bank performs in accordance with the organizational goals and objectives or otherwise. The study gathered useful information from the findings which shall serve as inputs for future academic research on the topic of microfinance and a point of relevance and at policy level.

LITERATURE REVIEW

The concept of livelihood depicts 'the capabilities, assets which includes (both material and social resources) and activities required for a means of living' Carney 1998 cited in (Rakodi, C., 2002). This gives an understanding about how people use their resources and how assets can be used to sustain a livelihood.

Livelihoods approach is a holistic and flexible framework adopted for understanding, measuring, and analyzing poverty and how to alleviate poverty. It is a realistic concept which recognizes the need for multiple activities which poor households can engage in to ensure their survival and wellbeing through the use of assets (Rakodi, C., 2002). It a classical theory that recognize the influence of institutions, policies, processes amongst others on Livelihood assets of the poor and suggest coping strategies which households adopt in times of shocks and stress that may stems from changing environment or economic problem. The theory understand the term Poverty from the perspective of poor people themselves and it is considered useful in this research.

Livelihood Assets

The summary of assets in the livelihood framework was put together by Carney, 1998 cited in (Rakodi, C., 2002). Other description of the assets is also drawn from the work of (Moser, 1998) to explain their importance and the opportunities they offer to the poor. The livelihoods Assets as described by the scholars are shortly explained below.

Human Capital

This refers to labor resources that households have. This represents the skills, knowledge, access to labour and good health that enable people to achieve positive livelihood outcomes. These have both quantitative and qualitative dimensions. The quality of household labour is improved through education and skills development and also the health status of household members. While the quantity aspect deals with number of household members and time available for income generating activities. It is also noted that health status determines the capacity of people to work as well as skills and education which determines the return to their labour. (Moser, 1998)

Social capital

Social capital is described as the rules, norms, obligations, reciprocity and trust embedded in social relations, social structures, and society's institutional arrangements, which enable its members to achieve their individual and community objectives Rakodi, C., (2002) It is also defined as reciprocity within communities and between households base on trust deriving from social ties (Moser, 1998).

Physical capital

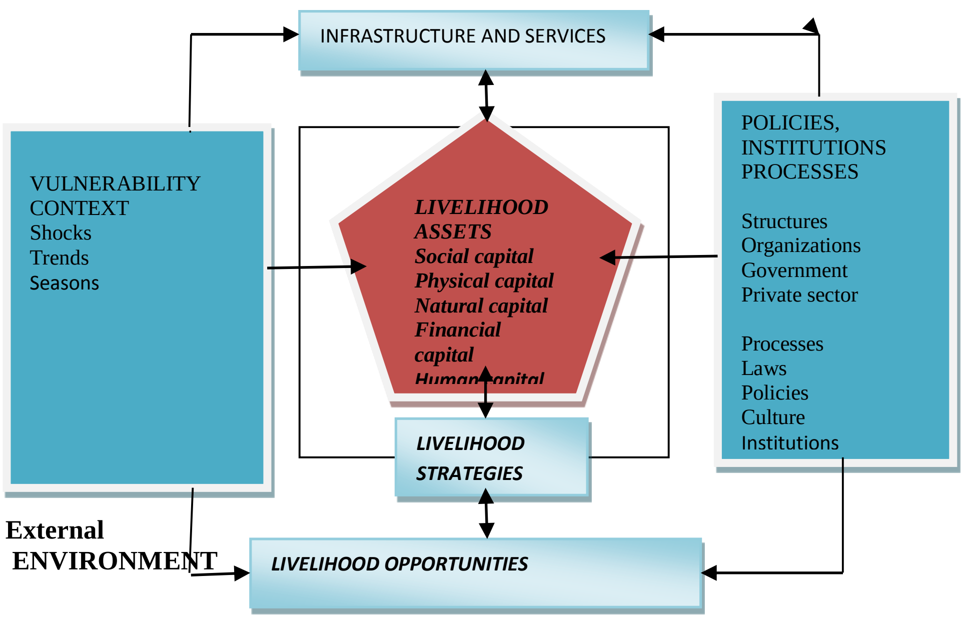
Physical capital refers to productive and household assets that include equipment, housing, water, energy and communications. The ability to invest in production equipment may directly generate income and enhance labour productivity.

Financial Capital

Finance refers to financial resources that are available to people which provide them with different livelihood options. These include cash, credit/debt, savings, remittances, pensions and other economic assets.

Natural capital

Natural capital are the resource stocks from which resource flows useful to livelihood are derived, including land, water and other environmental resources especially common pool resources (Rakodi, C., 2002). An analysis of the livelihood assets is crucial for this research because assets are considered to have strong roles to play in the life of the poor. Change in income levels could be seen in the change in consumption patterns, ownership of assets as well as access to assets. The livelihood framework below diagrammatically shows the model of the livelihoods approach which explains livelihoods and its understanding of how complications can be managed. It makes the recognition of objectives as well as interventions in the effort to improve livelihoods as discussed earlier.



The livelihood framework

Source: DFID Sustainable livelihoods guidance sheets, in Rakodi (2002).

Debates and Impact Assessment of Microfinance

In every part of the world today, there is an assumption that microfinance is successful in reducing poverty. Advocates and critics of Microfinance have shared different views, opinion about what ways have microfinance programme affect the lives of the poor. Some notable scholars in the field came up with arguments in support of the programme based on the research they conducted while others gave opposing comments about problems surrounding the financial scheme.

The work of Collins, Morduch, et al., (2009) confirms that microfinance represents tremendous steps in the effort of bringing reliability to the household of the poor who may have witnessed some financial disappointment from other financial providers. They maintained that financial life of the poor is often uncertain, the income that provides the stuff of their financial transaction is small and often irregular, unpredictable and most of their financial partners – ROSCAS and ASCAs are not reliable as they would like. Therefore, irrespective of how loans were used, microfinance was valued by most women in their study as the women claimed microfinance has helped in addressing pressing issues and by extension assist them in coping with emergencies like medical expenses, school fees amongst others. (Collins, Morduch, et al., 2009).

Adjei, (2009) also stated that microfinance can provide a number of pathways to reduce vulnerability among poor people through income generating activities for consumption smoothing, to react to emergencies and lifecycle events such as sickness, death, marriage etc. He buttressed further that Microfinance promotes asset-building among the poor by avoiding distress through unplanned sales of assets and replacement of existing productive assets destroyed in Disaster. Since assets are central to the livelihoods of the poor, microfinance should then enhance their accumulation so as to cushion the people during shocks.

Otero, (1999) described various ways in which microfinance, at its core fight poverty. She states that microfinance creates access to productive capital for the poor and that together with human capital, addressed through education/training, and social capital which is achieved through local organization building, enables people to move out of poverty. She went further to stress that by providing material capital to a poor person, their sense of dignity is strengthened and this can help to empower the person to contribute to economy and the society where he /she lives. The aim of microfinance is not just about providing capital to the poor to combat poverty in an individual level, it also play a role at an institutional level. It seeks to create institutions that deliver financial services to the poor, who are continuously ignored by the formal banking sector (Otero, 1999)**.**

Similarly, Mahjabeen (2008) conducted a study on Grameen clients in Bangladesh and also found out that Microfinance raise income of all households, increase consumption of commodities by households, generate employment, reduce income inequality and enhance social welfare. He went further to suggest that microfinance is one of the required critical interventions for empowering the poor people who need financial services. Sayed Samer et al (2015) also maintained that the financial services provided to the active poor motivates them, enhance their ability to Participate in the competitive economic market and by extension they take a feat in various entrepreneurial opportunities.

Kabeer, (2001) observed in the study conducted in Bangladesh that women access to credit and the enhanced income may improve their efforts and capability to contribute to their household's economy, improve their assets and sponsors children's education. She argued that microcredit assist poorer women whom prior to their membership were confronted with financial difficulties and could barely send their children to school. In addition women are able to buy household furniture and business equipments like refrigerators, rickshaws, sewing machine or transformation of their houses for home based enterprises through Microfinance credit which is considered a huge contribution for the household as the assets could be used to generate income.

In spite of all the above positive claims, some scholars are not convinced that access to microfinance automatically saves people from poverty. The idea of belonging to a group where assistance is sure to be rendered or received is not always the solution to poverty judging from the studies conducted differently by (Brett, 2006, Hanak, 2000).

In their various investigation of microfinance clients in Bolivia, Uganda and Kenya respectively, they recognized that although loan and services are usually extended to beneficiaries especially women through group formation which serve as social collateral for people to access loan. However, they both noted that default in repayment by a member could cause conflicts in a group when members are either to repay the loan on behalf of the defaulter or the defaulter loses private properties and assets to the group, neighbours and friends depending who stand as guarantor. Studies from these countries have also shown how people's private life could be made open as groups visits new members home to access their household assets like sewing machine, refrigerators amongst others.

Evidence from the study conducted by Brett, (2006) revealed that participation of women in microfinance and high cost of repayment has negative effects on household income. He buttressed further that microfinance does not promote assets accumulation but rather draws from household resources. In a quest to pay for loan, children drop out of school to work and support family business, food quantity/quality is reduced which could expose them health related issues. Microfinance is known to be successful at the institutional level as it tends to have shifted most of the risk and transaction costs to borrowers. (ibid)

Hanak (2000) argued also that Microfinance institutions are not particularly concerned about the socio economic context of their clients rather they are mostly concerned about how loan can be paid back.

The Link between Livelihood and Microfinance

Earlier in the discussion, access to finance was mentioned as one of the assets recognized by the livelihood theory. This research has its focus on understanding access to credit and its impact on livelihood. Livelihood theory deals with assets and mentioned accessibility to credit and its importance in helping the poor maintain their livelihoods. It is important to state that social capital as an asset is linked to microfinance through the use of group based lending that covers for asymmetric information of microfinance clients and reduce the stress of tracing the credit history of clients. Instead of using physical collateral, poor borrowers use social collateral to guarantee each other for loan collection**.** In reality, it is expensive for the poor to survive in urban environment as it is highly monetized. Therefore direct access to credit is part of livelihood strategies undertaken by the poor to address their financial constraints hindering them from carrying out their income generating activities. There is also a link between livelihood and microfinance in the aspect of human capital as credit impacts be it negative or positive could be felt on education, health and food consumption of the beneficiaries and their households. Physical capital is also linked to microfinance as impact of credit could have effect on household assets and business stocks.

RESEARCH STRATEGY/METHOD

A Quasi experimental design was employed for the research to test and describe the causal hypothesis or the manipulable causes on effect of LAPO microfinance intervention on the women beneficiaries. In the process of this research, it was quite imperative to concentrate on creating a factual situation measuring and ensuring that what was supposed to be measured was really measured within the context and attribute the changes in welfare of the beneficiaries as well as their assets to the intervention of Microfinance.

As contained in Ravallion, (2001), when an effect of a programme is to be studied, enquiring directly about a programme's effect from the participants is valuable. However, such step may not provide all the needed information for strong evaluation of such programme. Example of such scenario could be a probing question directed towards the programme participants asking what they would have done without such intervention. To overcome this challenges, a counterfactual situation known as control group was created. Control group was described by Diaz, Buedo-Jimenez, et al., (2015) as a methodological device that corrects a confounder in an experiment. The people in the control group are those who never benefited from the microfinance intervention, hence deemed useful in assessing the effects of the intervention by comparing them with the beneficiaries known as treatment group. In quasi experiment the use of Pre-testing and post testing design is ideally used for creating baseline information and for investigating current situation of two groups in an experiment. The advantage of the pretesting and post testing design is that it is notably easier to derive and understand. However, such design has been argued to also have a very important drawback as the method implies that the differences between the pre-test and post-test observations to be made could be due to one or more factors besides the treatment or the intervention (Reichardt, 2009). It is important to mention that there were no baseline data available when the research was conducted and the study did not carry out a pre-test before the intervention of microfinance. It was in the absence of baseline data that the study made use of a recall data which deals with the investigation of events that occurred before an intervention of a programme. The study was carried out by careful selection of the control group based on the same distribution of observable characteristics with the treatment group.

To verify the outcome of the beneficiaries' livelihood due the intervention, the two groups compared were independent but subjected to before and after investigation at same interval. This method is known as "Double Differences" as contained in the work of Ravallion, (2001).The study adopted a survey as a data collecting tool in the quasi experiment to give the study a statistical motive in the evaluation of the intervention effects. This was done by making sure that the same questionnaires were distributed to both the treatment and control group.

As much as all the shortcomings of the quasi- experimental design are known and identified, it was still considered a necessary tool needed and most effective for the effects that the research was to measure. Quasi experiment was appropriate for the research experiment as it was used before the effect was said to be completely measured. It helped the researchers to analyze the impact of the programme which was achieved through the counterfactual situation created where it was clear how situation would have been without microfinance. The year 2012 was the period which the respondents in the treatment group became members of the LAPO Microfinance Scheme. To assess the programme's impacts, the years selected for the investigated period were 2011 (before) and 2015 (after).

Table 1.0: summary of the research design

Groups	Intervention of microfinance (in year 2012)	The investigation periods.	
Treatment group	Received microfinance	2011	2015
		Before microfinance intervention	After Microfinance intervention
Control group	No microfinance	2011	2015
		Before microfinance intervention	After Microfinance intervention

Source: fieldwork, (2015)

The quantitative research method used gave the researchers the opportunity to define variables to investigate and it is the best method when examining effects of a programme (causality as it is known). In any explanatory and experimental research, establishing whether there is a relationship between variables can be best described through a quantitative method (Muijs, 2011).

The selection of the respondents in treatment group was determined by representative sample of microfinance clients who mainly resides in Chanchaga local government. The control group was derived from a few selected areas in Bosso local government where the women never engaged in Microfinance. Stratified random sampling as one among the probability sampling methods was used in the survey to identify and select both the respondents in treatment and the control group. The sample for Microfinance participants was carried out using their details collected from microfinance institution and their names were drawn using random sampling techniques. A total of 120 copies of closed ended questionnaires were administered to respondents in treatment and control groups respectively. The questionnaires were all returned which represented 100% response rate.

FINDINGS AND ANALYSIS

The data collected was analyzed using the statistical package for social sciences (SPSS). Figures generated were later transferred to an Excel which was used for graphs formulation, tables and other visuals. To compare the two groups in the survey, an independent T-test was employed to detect if there was a significant difference between them in the periods (before and after) the intervention of microfinance. The acceptable cut off was measured by

95% confidence interval of difference to show whether there is significant difference between the two groups or not.

Brief analysis of the socio- economic profile of the respondents

This section covers the description of the respondents' socio economic characteristics based on the findings generated from the survey. The two separate but independent respondents constitutes indigenous and non-indigenous members of each neighbourhood with different cultural and religious beliefs. Below is the description of the age of respondents as well as their employment status.

Table 1.1: Age and employment status of respondents

Age of respondents	**Treatment group**		**Control group**	
	Frequency	**Percentage%**	**Frequency**	**Percentage%**
7	11.7%		9	15%
30-39	28	46.7%	20	33.3%
40-49	21	35%	23	38.3%
50-59	3	5%	8	13.3%
60 and above	1	1.7%	-	-
Total	60	100%	60	100%
Occupation Status	**Frequency**	**percentage**	**Frequency**	**Percentage**
Housewife	5	8.3%	7	11.7%
Civil servants	4	6.7%	7	11.7%
Working with private company	10	16.7%	4	6.7%
Self employed	41	68.3%	38	63.3%
Unemployed	-	-	4	6.7%
Total	60	100%	60	100%
Marital Status	**Frequency**	**Percentage**	**Frequency**	**Percentage**
Married	41	68.3%	40	67.3%
Divorced	10	16.7%	7	11.7%
widowed	7	11.7%	10	16.7%
Single	2	2%	3	5%
Total	60	100%	60	100%

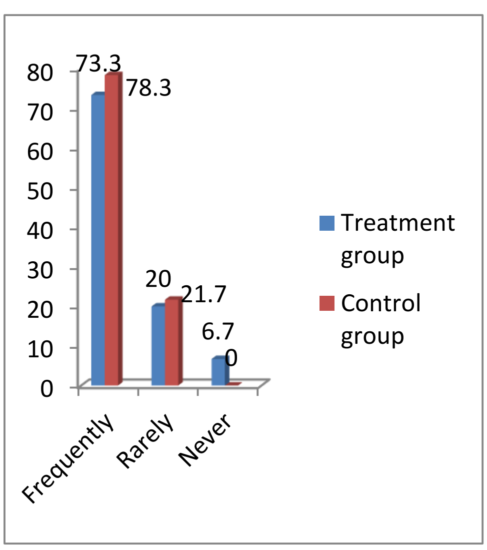
A statistical test conducted to check if there was a difference in the age and occupation of respondents produced the result below.

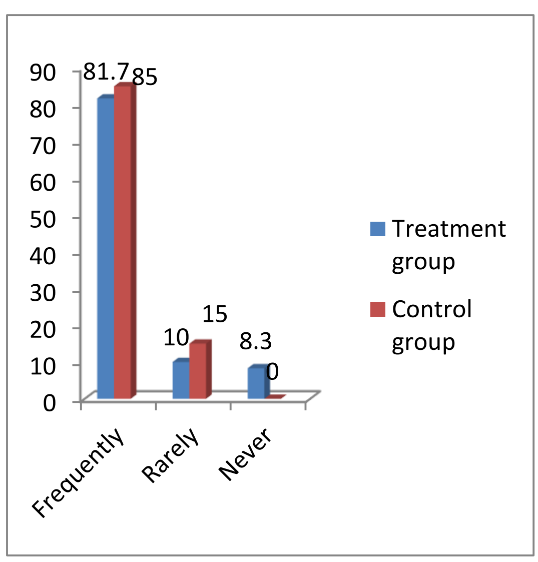
Age of respondents = T-test result, 2tailed sig. (.464) where the P-value is > 0.05 means there is no significant difference between the two groups in terms of their age.

Occupation status and Marital status= T-test result, 2tailed sig. (.863) and (.649) where the P-value is > 0.05 means that there are no significant differences between the two groups in terms of their employment and marital status. Therefore, the two groups studied are comparable.

Savings for Daily Expenditure (An Indicator of Financial Capital)

The study examined how the women in microfinance manage their financial expenditure. The results gathered from the treatment and control groups were analyzed to see how people manage their emergency events and daily expenditure through savings as an example of financial capital.





Savings for daily expenditure before 2012 (%)

Savings for daily expenditure in 2015(%)

The chart on the left shows a fair competition among the two groups on their level of savings for daily expenditure before the year of intervention. To give this descriptive analysis a strong back up, further investigation was conducted with a T-test to investigate if there were significant differences between the two groups before the intervention of microfinance.

- Before the intervention: The result of the T-test, 2tailed sig. (.219) where the P-values is > 0.05 shows that no significant difference exist between the two groups before the intervention of Microfinance. Therefore, they were both comparable.

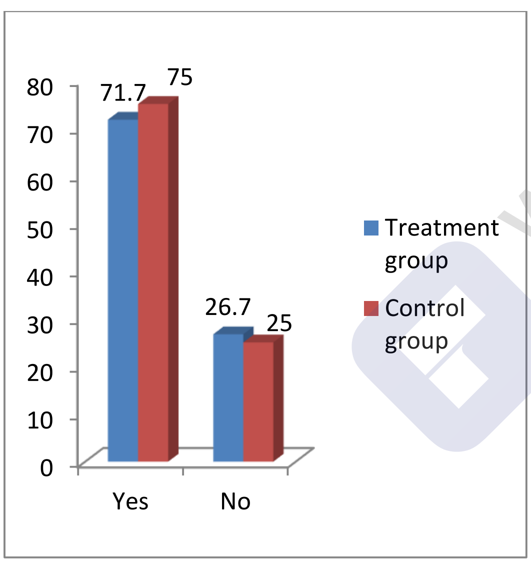
The chart on the right shows the present scenario and how the two groups responded in the survey as regards to their ability to save for daily expenditure. This helped in creating an understanding about the present situation of the two groups and ascertains if there is a change in their ability to save for daily expenditure.

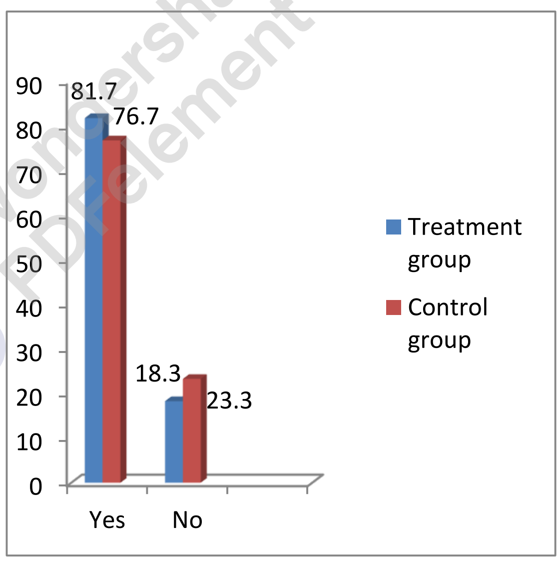
- After the intervention: The result of the T-test, 2tailed. (.203) where the P-value is greater than > 0.05 means that no significant difference exists between the two groups after the intervention. There is an improvement recorded in the present year among the two groups as seen in the graph but not enough to trigger a significant difference.

On this aspect of the analysis, no huge changes were recorded on the path of microfinance that could be attributed to microfinance. There could be other events that would have improved their savings capacity slightly.

Emergency Savings *(An Indicator of Financial Asset)*

The two groups were investigated to see their ability to save for emergency situation before 2012. The result from the survey conducted to establish the fact is illustrated in the graphs below.





Emergency savings before 2012(%)

Emergency savings in 2015(%)

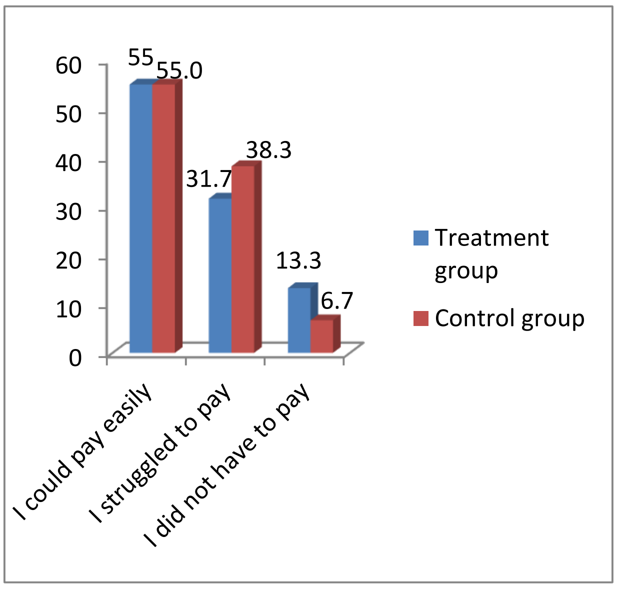
The result from the T-test conducted is here below to explain their comparison before and after the intervention of the programme in regards to emergency savings.

- Before the intervention = The T. test result, 2 tailed sig. (.843) where P-value is > 0.05 shows that no significant differences exist between the two groups in regards to their savings ability for emergencies before the intervention of microfinance. There were therefore comparable at this stage.
- After the intervention = T- test result, 2tailed sig. (.270) where the P-value is > 0.05 shows that even after the intervention of microfinance, there is no significant difference between the two groups. This is to say they are comparable.

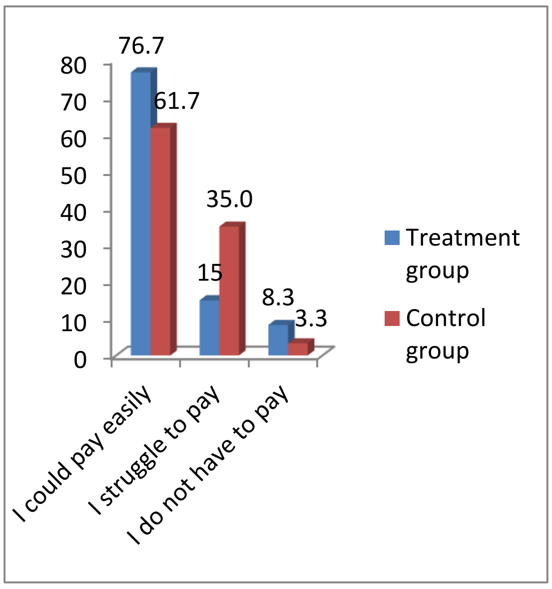
The improvement in the after time on the microfinance clients is little and did not amount to what could trigger a big difference between them and their counterparts in control group. On this note, microfinance has no impact on its clients regarding the level of savings for emergency. They could be having other means of saving for emergencies outside microfinance.

ABILITY TO PAY CHILDREN SCHOOL FEES (*an indicator of human asset*)

One of the indicators of human asset used for verifying if the two groups were comparable is education of their children measured by their ability to pay school fees.



Ability to pay children school fees before 2012 (%)

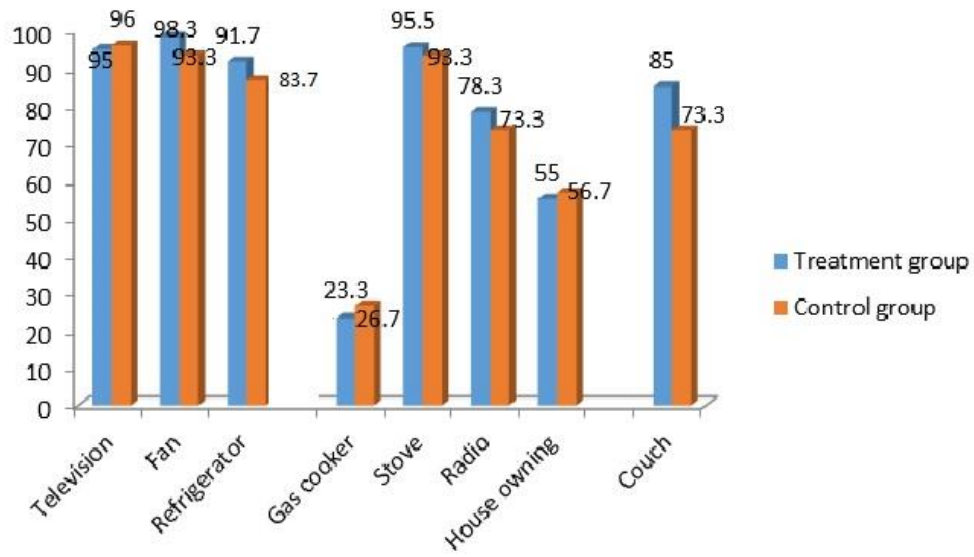


Ability to pay children school fees in 2015(%)

- Ability to pay children school fees before= T-test result, 2tailed.Sig (.426) where the P-value is > 0.05 means there was no significant difference between the two groups. From the description on the graph which was verified by the test, it means they were comparable before the intervention.
- Ability to pay for children school fees after= T-test, 2tailed.Sig (.725) where P- value is > 0.05. It implies that no significant difference was found between the two groups regarding their ability to pay for children school fees after microfinance intervention. They were therefore comparable. We could see in the after scenario the increase on the part of microfinance especially on those who could pay easily but such development is minimal and could not make any big changes that could be attributed to microfinance. The improvement could have happened as a result of something different from microfinance credit.

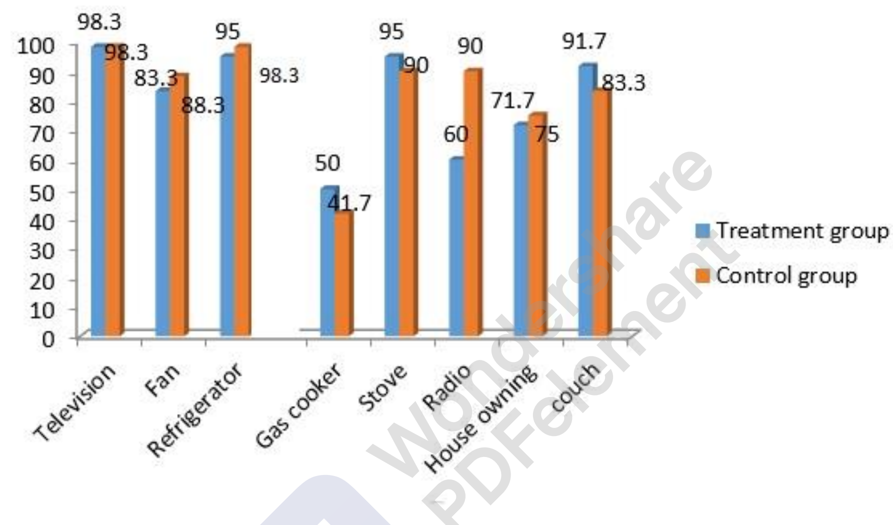
PHYSICAL ASSETS

This section covers the analysis of physical assets acquired by the respondents in the two groups before and after the intervention. This will also help in establishing the effects of the programme on the users.



Physical assets before 2012(%)

The graph above shows the physical assets owned by the two groups before the intervention. Judging from the graph, the findings indicates that there exists a fair distribution of physical assets between the control and treatment group in the before scenario. The data illustrates that across the groups there was an average distribution of Air conditioner and gas cooker. The diagram below shows the condition of their physical assets in 2015.

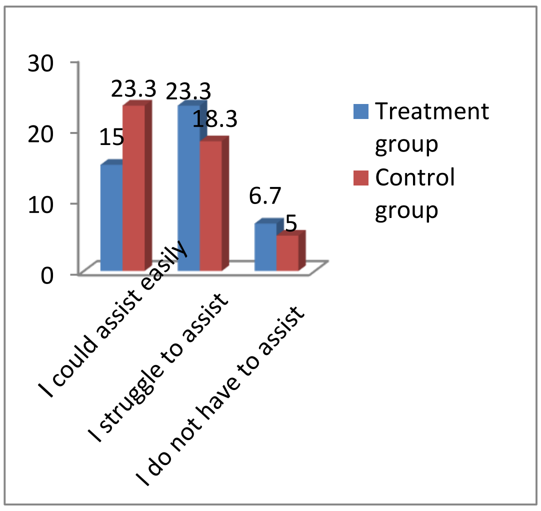


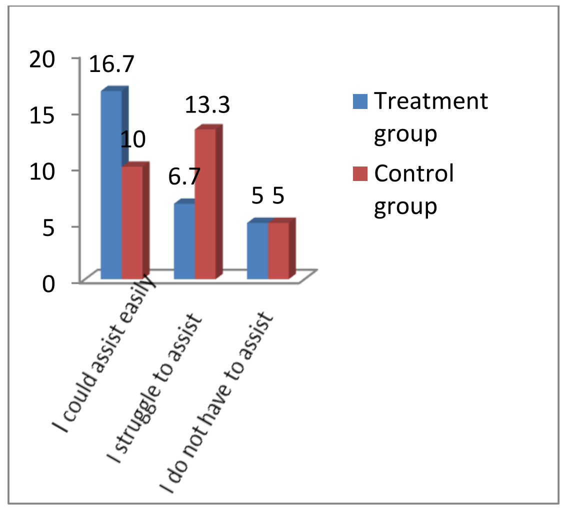
Physical Assets in 2015 (%)

This analysis indicates the performance of the two groups in terms of asset acquisition as both group compete tightly at the scenario before intervention and also have some improvement recorded in acquisition of air conditioner, gas cooker and home ownership at the after scenario period. The two groups as shown in both before and after scenario seemed to have maximum priorities for asset acquisition. There were no significant differences between the treatment and control group in regards to improvement of assets.

Ability to Assist in Payment of House Rent

During the research, questions were developed specifically for some of the respondents whose supports may be required by their husbands in regards to house rent payment. Further investigation was also conducted to see if they live in family houses with relatives where they may not be paying house rents. The questions about house rent payment contribution were for before and after scenario to establish the difference between the two groups studied.





House rent payment assistance before 2012%   House rent payment assistance in 2015%

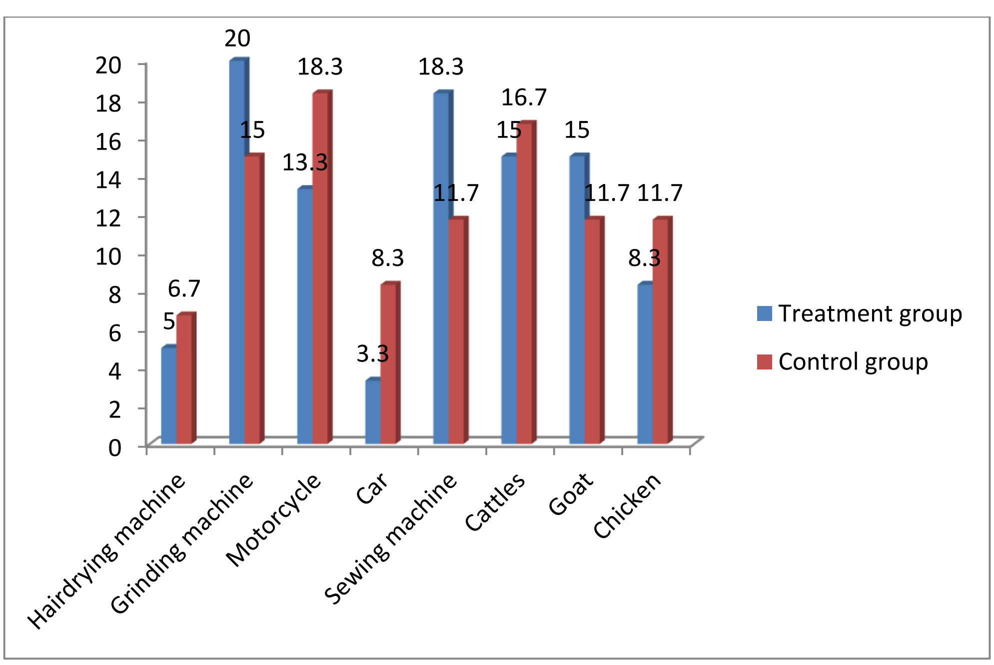
The study presents result of the test conducted to investigate the respondents' ability to assist in house rent payment. The T-test was conducted for the before intervention and after the intervention periods between the two groups to ascertain any difference. The results generated are below.

- House rent assistance before intervention=T-test result sig.2 tailed (.340) where the P- value is > 0.05 implies that no significant difference exist between the two groups. Therefore, they were comparable at the situation before the intervention of Microfinance.
- House rent assistance after intervention = T-test result sig.2 tailed (.539) where the P value is > 0.05 means that no significant difference is recorded between the two group. Although, from all indications, we noticed a slight increase on the number of people who could assist their spouses easily and a decline in the number of respondents who struggles to assist among the treatment group in the present year. However, the improvement is not enough to prompt a significant difference that should be attributed to microfinance.

The analysis here indicates that microfinance has no influence on the ability of its clients to assist their husbands in regards to payment of house rent as something else may have contributed to the little improvement noticed on the chart.

Business Items and Stocks

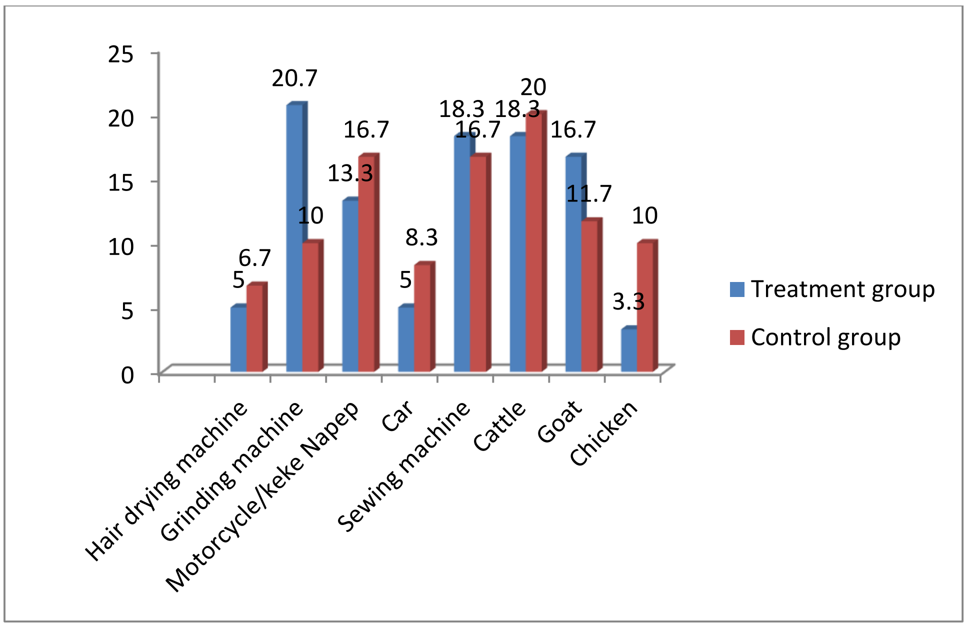
Having income generating items and stocks are ways of improving livelihoods. It is considered a strategy in preparing for hard time as such stocks provides income needed to cover households expenses when the need arise. The respondents were investigated to find out if they had business items and stocks before and after the intervention. The analysis below was done through the responses given.



Business items and livestock before 2012(%)

The analysis here entails the level of business items and stocks under the possession of the women in the two groups before 2012. What explains their differences was the test conducted which gave the results below.

Before the intervention = T- test result, 2 tailed sig. (.747) where the P-value is > 0.05 means that no significant difference exist between the two groups in terms acquisition of business items and stock before 2012. Therefore they were comparable.



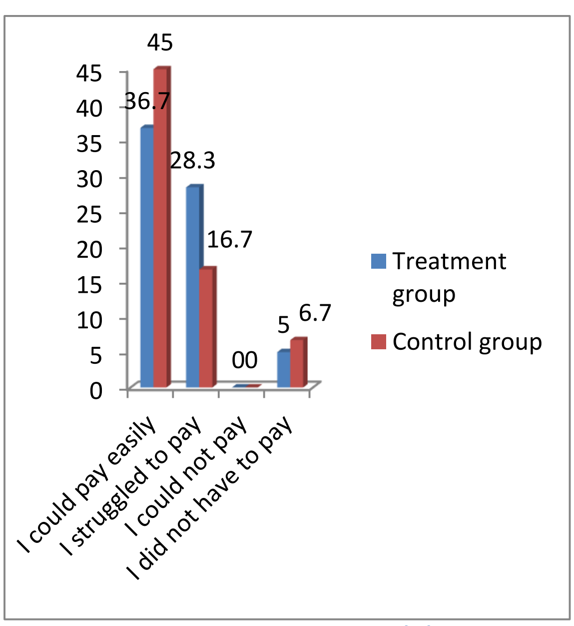
Business Items and Livestock In 2015(%)

The finding shows the situation among the two groups after the intervention. There are slight increases on some of the assets as well as decreases on other few as indicated on the chart. The result below explains the comparison between the two groups in the present time.

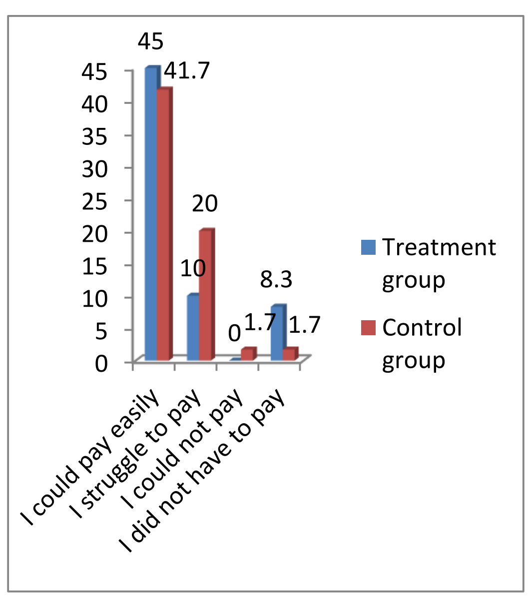
- After the intervention = T- test result shows 2 tailed sig. (.506) where the P-value is greater > 0.05. No significant difference between the two groups and they are therefore comparable. This analysis means that no changes or remarkable improvement is recorded that could be attributed to the intervention. Microfinance has no impact on the level of business items and stocks acquisition of its clients.

ABILITY TO PAY FOR MEDICAL TREATMENT (*as an indicator of human asset)*

Health is one of the major components of human capital. Respondents were also subjected to questions in relation to their ability to pay for medical care whenever the need arise.



Ability to pay medical care before 2012 (%)



Ability to pay medical care in 2015 (%)

Findings from the study conducted to investigate the ability to pay for medical treatment before the year of intervention was put to test for comparison between the two groups. The T- test results revealed the following.

- Before intervention= T-test sig. tailed (.561) implies that the P-value is > 0.05: This means that they were comparable and no significant difference exists between them before the intervention year.
- After intervention=T-test sig. tailed (.670) means that the P-value is > 0.05: This result indicates that they are both comparable and no significant difference exists between them at the present situation after the intervention had occurred.

ADDITIONAL INCOME AND SOURCE

The study also included questions that sought to investigate the respondents extra income and sources. This was to understand other contributing factors behind the improvements observed among them.

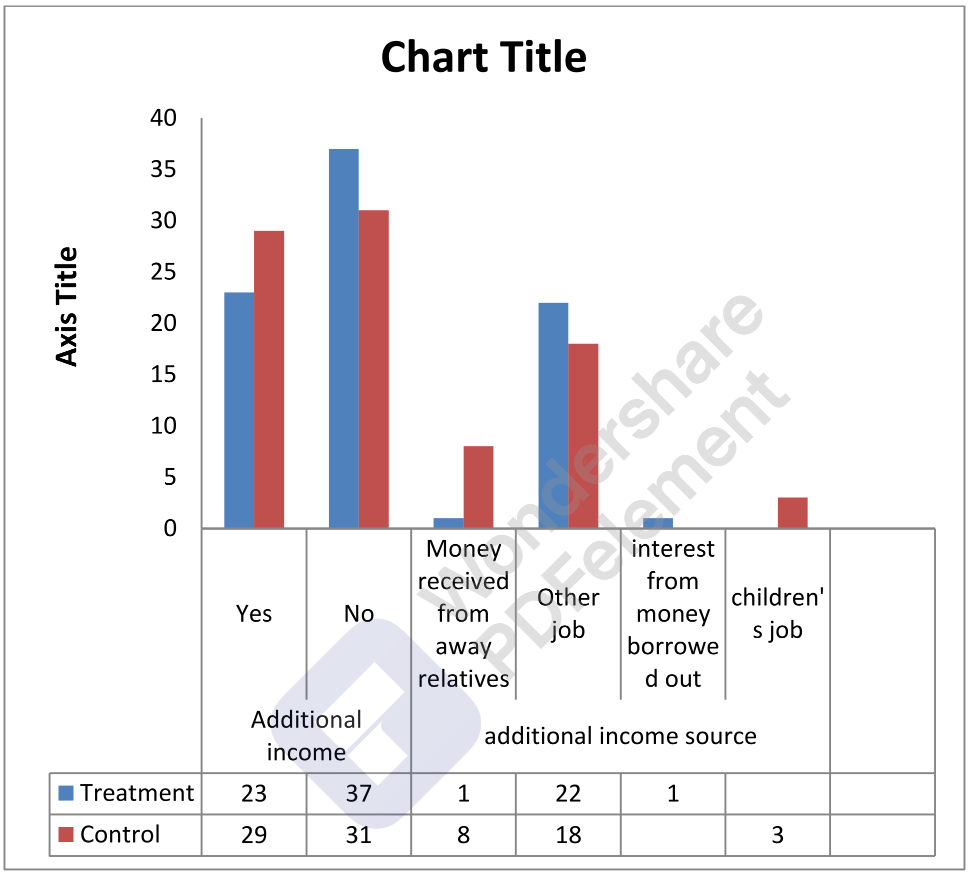


Chart 35: Additional income and source

Both the respondents in treatment and control group were found to be engaged in extra work apart from the business that earns them income. This analysis create an understanding that most improvements noticed in their assets was prompted by other job they do which serve as an additional income

SUMMARY OF FINDINGS

Influence of Microfinance on financial, Human and Physical Assets

The findings reveals that Microfinance had no impact on the clients' income as the women had access to credit but still involved in other jobs which provide them extra income. It is important to also state that household members of the women had jobs that contribute to the household income. The fact that they survived in their business may have emanated from these factors. This observation is in line with livelihood theory where it was explained that that Poor households are sometimes forced to make different choices by engaging in extra source of income depending on the level of vulnerability at any given time. (Rakodi, C., 2002)

Other important observation noted was their effort in ensuring that assets were secured through investment in business stocks and emergency savings. This observation correspond with portfolios of the poor by Morduch, Collins et al who stated that financial constraints confronted by the poor who had small and irregular income pushes the poor to develop a life surviving strategy which assists them in managing livelihoods in order to handle their household expenses from various income source (Collins, Morduch, et al., 2009). It would have been a different dimension of hardship for the clients if they had no other additional income and assets would have eroded from the observation made from the survey.

Physical capital was measured by household items, home ownership/rental as well as business items and stocks. There was little improvement on the rate at which people could afford some of the household items and ownership of to some extent. Little improvement was also noticed on the area of medical bill affordability as situation got slightly better than how it was before the intervention of microfinance.

It was confirmed in the study that tangible assets like education, health and skills never eroded. Situation would have been worst if the women could not attain all these mentioned despite access to credit. This is in line with livelihood theory where it was stated that household ability to manage their labour assets in order to take advantage of opportunities created for economic activities is determined by education, skills and health status of household members (Rakodi, C., 2002).However, this is not say that they have done a lot as the improvements on education and health according to the study were too little to have triggered a great change that could be attributed to Microfinance intervention.

CONCLUSION AND RECOMMENDATION

The results showed insignificant effect of microfinance intervention on the livelihoods of the LAPO Microfinance clients as they were compared with the non-users of microfinance at all levels through their various assets investigated independently. It was concluded that the examined microfinance have no impact on the livelihoods of the women. The study recommend the need for a policy that will capture tangible improvement on business orientation and business development strategies. These should be an added benefits to the credit facilities rendered to the active poor.

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