



(REVIEW ARTICLE)



## Impacts of microfinance banks on women empowerment and poverty reduction in Ekiti State, Nigeria

Margaret Olanireti AYODELE <sup>1,\*</sup> and Helen Funmilola OKUNADE <sup>2</sup>

<sup>1</sup> Department of Social Science Education, Bamidele Olumilua University of Education, Science and Technology Ikere -Ekiti (BOUESTI), Ekiti State, Nigeria.

<sup>2</sup> Department of Social Science Education, Ekiti State University (EKSU), Ado- Ekiti, Ekiti State, Nigeria.

International Journal of Science and Research Archive, 2026, 19(01), 174-183

Publication history: Received on 24 February 2026; revised on 01 April 2026; accepted on 03 April 2026

Article DOI: <https://doi.org/10.30574/ijrsra.2026.19.1.0680>

### Abstract

This study investigated the impacts of microfinance banks on women empowerment and poverty reduction in Ekiti State, Nigeria. A sample of sixty (60) women were selected from the three senatorial districts through simple random sampling techniques. A structured questionnaire was used to obtain information from the women on the impacts of microfinance banks on their businesses. The findings from the study showed that microfinance banks have positive effects on women empowerment as it reduces the poverty level by accessing short loans to run their businesses. In addition to financial gains, microfinance banks provide social empowerment, increasing women's engagement, decision making and good quality of life. However, issues like exorbitant interest rates, lack of financial knowledge and cultural barriers exist and may prevent these advantages from being fully realised. It was concluded that the presence of microfinance in the society has gone a long way in solving many social and economic problems that are ravaging people's lives. It was therefore recommended that government should encourage microfinance banks to intensify efforts to provide financial supports and educate the masses by creating awareness of usefulness to enable peoples' benefit.

**Keywords:** Microfinance banks; Woman empowerment; Poverty reduction; Ekiti State; Nigeria

### 1. Introduction

Poverty can be defined as the inability of people to meet the basic needs of food, cloth and shelter. Poverty is rampant in all sectors of the economy, and its effects are manifested in human lives. Poverty is everywhere, and its impacts in academic environment cannot be overemphasized, especially among students who come late to school every day as a result of lack of money to enter transport to school. Also, people cannot feed well, standard of living of people have dropped, some students trek a long distance from home to school and back home every day, thereby get tired and not been able to do other meaningful things that day. Also, people don't have enough food to eat as a result of poverty. Poverty needs to be eradicated in the society so that the society can be a good place to live. One of the ways by which poverty can be eradicated in the society is through private investments or micro finance banks to enable small scale businesses thrive in the face of economic hardships.

Microfinance banks are seen as potent instrument for eradicating poverty and empowering women in the society. Women are frequently left out of official financial institutions, and it is commonly known that women are more severely affected by poverty than males. By granting access to financial services and enabling women to take an active role in the economy, microfinance may play a critical part in resolving these problems. Also, it has been demonstrated that microfinance benefits women's health and education. By allowing them to cover healthcare costs and receive medical treatment, women who have access to financial services may invest in their own health as well as the health of their

\* Corresponding author: Margaret Olanireti Ayodele

families. Women who take part in microfinance programs are also more inclined to spend money on their own and their kids' education as cited by Adefola (2019). Afolabi (2015) stressed that Microfinance banks play a crucial role in promoting financial inclusion, particularly in developing countries where access to formal financial services is limited. Originating in the 1970s with the establishment of institutions like Grameen Bank in Bangladesh, microfinance was designed to provide small loans and financial services to the poor, especially those excluded from traditional banking systems. The report also cited that services include microloans, savings accounts, insurance, and financial literacy programs are tailored to the needs of low-income individuals and groups, particularly women.

The impact of microfinance on poverty reduction and the empowerment of women has been a subject of increasing interest among researchers, policymakers, and development practitioners. Women's empowerment according to Olalekan and Ajibaje (2020) refers to the process of increasing women's access to economic resources and decision-making power, both of which are often constrained by social, economic, and cultural factors. Ogunleye (2018) opined providing financial resources to women will ease their financial position and make them better in the society. Microfinance banks according to Akpan and Nwosu were established to meeting purpose and to improve their income-generating activities, enhance their self-esteem, and strengthen their social status within the community.

Okonkwo and Fajobi (2017) stressed that poverty reduction and women's empowerment are closely interconnected as both aim at finding solution to financial economic empowerment of women. Access to financial services enables women to invest in small businesses, generate income, and improve their households' standard of living. Additionally, it fosters savings habits, enhances resilience to economic shocks, and allows them to plan for the future. The role of microfinance in fostering these changes is particularly significant in rural and marginalized areas, where economic opportunities are often limited, and women face significant barriers to accessing formal financial services. However, while the positive impacts of microfinance on poverty reduction and women's empowerment are widely recognized, some studies have raised concerns about the sustainability and effectiveness of microfinance programs. Issues such as high-interest rates, over-indebtedness, inadequate financial literacy, and socio-cultural barriers continue to challenge the sector's capacity to achieve its goals fully. Consequently, there is a need for comprehensive assessments that consider the varying contexts and conditions under which microfinance interventions are implemented.

Women's empowerment has a great influence on health, nutrition, education, and the overall well-being of societies as well as of the children and households. Achieving gender equality is regarded as one of the key goals of the 2030 Agenda for Sustainable Development, as women and girls continue to suffer serious discrimination problems in every part of the world. The vital aspect of the goal of women's empowerment is connected to improving health and nutrition status, ensuring food security, eliminating hunger, and reducing poverty. Empowering women and enhancing women's status play a significant role in the achievement of many development programs and help to bring positive societal transformation. Globally, women constitute about 43% of the total agricultural labor force and also contribute to 50% of the total food production according to Eze (2018). Stephen (2015) cited that when more power should be given to women to use household income, the proportion of money spent on healthy food increases because women favor spending more money on nutritive and high-quality foods than on unhealthy foods, recreation, and alcohol. Women's empowerment is frequently cited as a goal of rural development aimed primarily at reducing household vulnerability to poverty and food insecurity.

Women's empowerment according to Adebayo, Akinwale and Adejumo (2020) cited that conflated with the status that women have the acquisition of and control over resources which not only include material and financial resources, but also the social and human resources that can increase a woman's ability to exercise her choices. According to her, such resources include age, education, employment, social capital, networking, and ownership of property. Empowerment is multidimensional, and women empowered in one dimension do not necessarily empower in another. It has also been established that women require both resources and a sense of agency to achieve their live outcomes on their own. The multidimensional concept of the agency includes different domains, namely, decision-making authority, control over finances, and freedom of movement. Having the authority over making decisions and overusing money, is a more apt and precise description of women's power. Although there is no single definition of women's empowerment in the literature, it is variously conceptualized as a process or outcome, an end state or a means to an end, a capacity, a matter of gaining power, and as a matter of agency. Given the broad scope of concerns surrounding empowerment, scholars have examined many topics across a wide range of contexts. Studies have examined many topics, including educational attainment, political participation, gender-based domestic violence, resource control, entrepreneurialism, well-being, household decision-making, time poverty, and health. While women's empowerment is intrinsically important, studies in developing countries have shown that empowering women can also improve children's health and education, decrease child mortality, improve the organizational effectiveness of businesses, increase agricultural productivity, and increase economic growth and reduce poverty. The empowerment of women and poverty reduction are intertwined under the framework of empowerment. A growing amount of evidence has shown that empowerment

is instrumental toward reducing income and consumption poverty. Empowering woman as a member of a poor household, in turn, contribute to empower the whole household and thus the issue is a vigorous researchable area in a developing country such as Nigeria.

Despite the presence of microfinance institutions in Ekiti State, there are still concerns about the depth of their impact on improving the economic and social conditions of women. While some evidence suggests that microfinance can lead to increased income, improved business opportunities, and enhanced decision-making power for women, other reports indicate that the benefits are not always widespread or sustainable. High-interest rates, limited access to larger loans, and repayment pressures may sometimes counteract the intended positive outcomes. Additionally, there is insufficient knowledge about the specific challenges faced by women in accessing and utilizing microfinance services in Ikere.

The problem, therefore, lies in understanding whether and to what extent microfinance banks in Ekiti State contribute to poverty reduction and the empowerment of women.

### *Objectives of the Study*

The objective of this study is to assess the Impacts of Microfinance Banks on Poverty Reduction and Empowerment of Women in Ekiti State. Specifically, the study sought to;

- To examine the extent to which microfinance banks contribute to poverty reduction among Ekiti women
- To examine the role of microfinance banks in enhancing the economic empowerment of women, including their ability to generate income, start and expand businesses, and improve their overall financial stability.
- To assess the impacts of microfinance services on the social empowerment of women.
- To identify the challenges faced by Ekiti women in accessing and effectively utilizing microfinance services.

### **1.1. Research Question**

To what extent do microfinance banks contribute to poverty reduction among Ekiti women

- How do microfinance banks influence the economic empowerment of Ekiti women
- What impacts do microfinance services have on the social empowerment of Ekiti women?
- What challenges and barriers do Ekiti women face in accessing and effectively utilizing microfinance?

---

## **2. Literature Review**

### **2.1. Concept of Women Empowerment**

Ogunleye (2018) empowerment defined in terms of personal agency and self-determination which it involves individuals gaining control over their own lives, making choices, and taking actions that affect their well-being. This perspective emphasizes the importance of autonomy and the capacity to act in one's own interest. Empowerment is also understood as gaining access to resources and opportunities that enable individuals to achieve their full potential. Adetola (2019) described empowerment as the ability to access and utilize resources, including financial, educational, and social resources, to improve one's quality of life and freedom of choice. Empowerment is also conceptualized as gaining political power and influence. Akpan and Nwosu (2018) defined empowerment in the political context as the increased capacity of individuals to participate in governance, hold political office, and advocate for policies that address their needs and interests. Women empowerment is a multidimensional concept that encompasses economic, social, and political dimensions. It refers to the process by which women gain control over their own lives and gain access to opportunities and resources to achieve their full potential. This literature review explores various dimensions of women empowerment, theoretical frameworks, and empirical studies that illustrate its significance and impact. Economic empowerment has been a major focus of recent research. Recent studies highlight the impact of digital financial inclusion on women's economic empowerment. For example, a study of Adebayo et al. (2020) showed that mobile money services significantly improve women's access to financial resources, enabling them to engage in economic activities and improve their livelihoods. Additionally, research by Olalekan and Ajibade (2020) examined how access to credit and financial services contributes to women's entrepreneurship and economic stability.

Social empowerment involves increasing women's participation in social and community activities. Recent studies have examined the role of social networks and community organizations in enhancing women's social status and decision-making power. For instance, a study by Ogunleye (2018) explored how women's involvement in social movements and local organizations can lead to increased political and social influence. Moreover, research by Karim (2011) emphasizes

the importance of social capital in promoting women's social empowerment. Political empowerment has gained prominence in recent research, focusing on women's participation in governance and decision-making processes. Studies such as those by Adepoju et al (2020). Akpanr (2020) explore the barriers and opportunities for women in political leadership and advocacy roles. These studies highlight the importance of gender quotas and other policies in enhancing women's representation and influence in political spheres.

## **2.2. Concept of Microfinance Bank**

The licensing of Microfinance Banks in Nigeria is the responsibility of the Central Bank of Nigeria. The practice of microfinance in Nigeria is culturally rooted and dates back several centuries. The traditional microfinance institutions provide access to credit for the rural and urban, low-income earners. They are mainly of the informal Self-Help Groups (SHGs) or Rotating Savings and Credit Associations (ROSCAs) types. Other providers of microfinance services include savings collectors and co-operative societies. The informal financial institutions generally have limited outreach due primarily to paucity of loanable funds. In order to enhance the flow of financial services to Nigerian rural areas, Government has, in the past, initiated a series of publicly-financed micro/rural credit programmes and policies targeted at the poor. Notable among such programmes were the Rural Banking Programme, sectoral allocation of credits, a concessionary interest rate, and the Agricultural Credit Guarantee Scheme (ACGS). Other institutional arrangements were the establishment of the Nigerian Agricultural and Co-operative Bank Limited (NACB), the National Directorate of Employment (NDE), the Nigerian Agricultural Insurance Corporation (NAIC), the Peoples Bank of Nigeria (PBN), the Community Banks (CBs), and the Family Economic Advancement Programme (FEAP). In 2000, Government merged the NACB with the PBN and FEAP to form the Nigerian Agricultural Cooperative and Rural Development Bank Limited (NACRDB) to enhance the provision of finance to the agricultural sector. It also created the National Poverty Eradication Programme (NAPEP) with the mandate of providing financial services to alleviate poverty. Despite these measures, it became increasingly evident that such governmental policies failed to grant financial access to those most in need (i.e. the rural poor) and that the programs were largely unsustainable.

The CBN at the sixth Annual Microfinance Conference and Entrepreneurship Awards held recently in Abuja said the microfinance development fund would be established in 2012 and would include both commercial and social components that would enhance its operations and outreach. The fund will also aim at improving access to affordable and sustainable sources of finance by microfinance institutions and microfinance banks. This, being the second time that the CBN is making such pronouncement, the first one was pronounced at the 5th Annual Microfinance Conference and Entrepreneurship Awards in 2011, where Kingsley Moghalu, the deputy governor, financial system stability said the CBN would establish a microfinance development fund to promote accessibility to financial services for low income earners.

Microfinance refers to the provision of financial services to low-income individuals or communities who lack access to traditional banking services. It encompasses a range of financial products, including small loans, savings accounts, insurance, and money transfers, aimed at promoting financial inclusion and supporting economic development. Microfinance is widely recognized as a tool for promoting financial inclusion by providing access to financial services for underserved populations. Karim (2011) highlights that microfinance aims to reach individuals who are excluded from the formal financial system, enabling them to participate in economic activities and improve their livelihoods. Microfinance Institutions (MFIs) are organizations that deliver microfinance services. Armendariz and Morduch (2010) discussed the role of MFIs in providing small loans and other financial services to low-income individuals. They emphasize the importance of MFIs in bridging the gap between traditional banking services and marginalized communities. Adepoju et al. (2020) provide evidence on how microfinance can improve the economic conditions of the poor by facilitating access to capital for small-scale enterprises. They highlight mixed results, with some studies showing significant positive impacts and others indicating limited effects on poverty reduction. Burgess and Nawaz (2010) explore how digital technologies, including mobile banking and online platforms, have expanded the reach and efficiency of microfinance services. They discuss the potential of technology to enhance financial inclusion and improve service delivery.

## **2.3. Microfinance and Poverty Reduction**

Globally, microfinance institutions (MFIs) have become more well-known as a means of reducing poverty and empowering underprivileged groups, especially women, economically. With an emphasis on reducing poverty and empowering women, this literature review examines the theoretical foundations, empirical results, and contextual implications of microfinance institutions' operations in, Ekiti State, Nigeria.

Olawole and Opeyemi (2020) cited the foundation of microfinance as financial inclusion idea, which holds the cycle of poverty broken by having access to credit and financial services. Research highlights the contribution of microfinance

to the expansion of small businesses and self-employment. Nawaz (2010) emphasized that microfinance programs are intended to provide financial assistance to people without access to traditional banking systems. Empirical investigations in Nigeria show conflicting results. According to Akpan and Nwosu (2018), microfinance banks increased household income and decreased rural residents' levels of poverty. Adepoju et al. (2020) and other research, however, draw attention to operational and structural issues including high interest rates and loan defaults that restrict the efficiency of microfinance in reducing poverty.

#### **2.4. Women Empowerment through Microfinance**

One of the main objectives of microfinance programs is frequently the empowerment of women. According to scholars like Kabeer (2020 cited) empowerment as the capacity to make wise decisions in a situation where such capacity was previously disregarded. Women's decision-making authority, resource management, and social status are all improved by microfinance. According to a study conducted in southwest Nigeria by Okonkwo and Fajobi (2017), women's involvement in business and household financial decisions increased dramatically when they had access to microfinance services. According to Balogun et al. (2021), women who interact with microfinance banks also report feeling more independent and having higher self-esteem. Critics counter that social and political aspects are still not well understood and that the advantages are frequently restricted to economic empowerment (Mayoux, 2002).

#### **2.5. Microfinance in the context of Ekiti State**

Ekiti State Government offers a distinctive microcosm for examining the effects of microfinance. Afolabi (2015) stressed that microfinance banks in Ekiti State have helped to reduce extreme poverty and increase the number of small businesses. However, the full potential of microfinance is hampered by issues with infrastructure and beneficiaries' lack of financial awareness. Because they work in agriculture and minor trade. Ekiti women are the main recipients of microfinance programs. According to anecdotal evidence, women use loans to expand their businesses, pursue healthcare, and further their education, all of which promote communal development. However, full involvement is frequently discouraged by issues like high interest rates and strict repayment schedules (Olayemi & Fadekemi, 2019).

Even though microfinance's potential advantages are well recognized, there are still obstacles to overcome: Interest rates and loan defaults, research shows that high interest rates deter borrowers and cause loan defaults (Adebayo et al., 2020). Insufficient training and capacity building according to Ogunleye and Adeyanju (2018), many microfinance recipients lack the financial literacy necessary to properly manage loans. Gender inequality is another challenge despite targeted programmes, cultural norms in some areas of Ekiti State prevent women from accessing financial services (Adewale, 2017).

---

### **3. Methodology**

Descriptive survey design was adopted to describe and interpret data collected through questionnaire. The population of the study comprised all the market women in Ekiti State. The study adopted a purposive sampling technique to select 60 respondents across the three major markets in the three senatorial districts in Ekiti State, through simple random sampling technique. The three markets are Oja Oba in Ado Ekiti, Oja Oba in Ikere- Ekiti and Oja Oba at Ifaki -Ekiti. The instrument used for this study was questionnaire, which was divided into five sections A -E. Section A dealt with the personal data of the respondents while sections B-E contained a total of twenty items which were based on the objective of the study.

Face and contents validity of the instruments were ensured by the experts in test and measurement.

The final instrument made up of 20 items was subjected to a test of reliability using Cronbach Alpha-statistics. A reliability co-efficient of 0.80 was obtained. This high value shows that the instrument was reliable and suitable for the study. Distributed questionnaire was collected on the spot as the assignment of administration was carried out by the researcher.

Data obtained were analysed and interpreted using descriptive analysis.

## 4. Results and Findings

### 4.1. Research question 1: To what extent do microfinance banks contribute to poverty reduction among Ekiti women?

**Table 1** Extent to which microfinance banks contribute to poverty reduction.

S/N	Statement	Yes Responses Frequency Percentage		No Responses Frequency Percentage	
1.	The savings services provided by microfinance banks have helped me build financial resilience against economic shocks.	42	70	18	30
2.	The targeted financial literacy programmes of microfinance banks have enhanced my ability to manage funds effectively, contributing to poverty alleviation.	34	56.7	26	43.3
3.	Microfinance programmes enable me to invest in income-generating activities, leading to better household living standards.	55	91.7	5	8.3
4.	Women beneficiaries have reported improved financial stability and reduced dependence on informal credit sources.	16	26.7	44	73.3
5.	Microfinance banks have significantly reduced poverty levels among women by providing them with access to low-interest loans for business start-ups.	27	45	33	55

Table 1 was the summary of the extent to which microfinance banks contribute to poverty reduction in the local government. 42 (70%) of the respondents agreed to the position that savings services provided by microfinance banks have helped me build financial resilience against economic shocks. Financial literacy programmes of microfinance banks is another area of contribution to poverty reduction with 34(56%) of the respondents agreed to the fact that such programmes have enhanced their ability to manage funds effectively, contributing to poverty alleviation. 55(91.7%) agree to the fact that such programmes aided their savings skills. It worth noted of that more of such investment have not being enjoyed by majority as 44(73.3%) disagreed with the forth statement of the question. The interest on loan is another area of disagreement where 33(55%) of the respondents were of the opinion that the interest rate is on the high side.

### 4.2. Research question 2: How do microfinance banks influence the economic empowerment of Ekiti women?

**Table 2** Microfinance banks influence the economic empowerment.

S/N	Statement	Yes Responses Frequency Percentage		No Responses Frequency Percentage	
6.	Training sessions organized by microfinance institutions have improved women's entrepreneurial skills, helping them expand their businesses.	55	91.7	5	8.3
7.	The provision of group loans has fostered collaboration among women, enhancing their collective economic empowerment.	60	100	-	-
8.	Access to microfinance services has increased Ekiti women's income levels, allowing them to reinvest profits into their businesses.	52	86.7	8	13.3
9.	Microfinance loans have facilitated the establishment of women-owned small and medium enterprises in Ekiti State?	44	73.3	16	26.7

10.	Women clients of microfinance banks report enhanced financial independence, enabling them to contribute significantly to their households.	58	96.7	2	3.3
-----	--	----	------	---	-----

Table 2 shows how microfinance banks influence the economic empowerment of women in the local government. 55(91.7%) of the respondents agreed to the fact that each of the organized training sessions of the have significant impact. All the respondents agreed that collaboration is the key toward economic empowerment. It was revealed that income level of women increases through access to microfinance bank loans with 52(86.7%) of the respondent agreed to this. The higher percentage of the respondents agreed that women are now business owners through the access of microfinance bank loan with 44(73.3%) response rate. 58(96.7%) of the respondents agreed that they now have the ability to make contributions to household finances.

#### 4.3. Research question 3: What impacts do microfinance services have on the social empowerment of Ekiti Women?

**Table 3** Impact do microfinance services have on the social empowerment.

S/N	Statement	Yes Responses		No Responses	
		Frequency	Percentage	Frequency	Percentage
11.	Improved financial resources from microfinance services have allowed women to invest in their children's education and healthcare, improving their families' quality of life.	60	100	-	-
12.	The support and encouragement provided by microfinance institutions have helped women challenge traditional gender norms in their communities.	41	68.3	19	31.7
13.	Women who access microfinance services report higher levels of self-confidence and independence in personal and business matters.	56	93.3	4	6.7
14.	Participation in microfinance groups has enabled women to build social networks, enhancing their involvement in community activities.	54	90	6	10
15.	Women engaged with microfinance services experience increased decision-making power within their households regarding financial matters.	54	90	6	10

Table 3 revealed that women now have the capacity to have more investment on their children as 60(100) response rates was recorded. Gender inequality is equally being confronted as a result of empowerment provided through microfinance bank with 41(68.3%) positive rate of response. It was equally revealed that empowerment increases their self-confidence and independency with 56(93.3%) positive response rate. 54(90%) agreed to the fact that through microfinance group, networking is created. Their decision-making powers were equally positively affected through empowerment programmes of the microfinance bank with 54(90%).

#### 4.4. Research question 4: What are the challenges Ekiti women face in accessing and effectively utilizing microfinance services?

**Table 4** Challenges faced in accessing and effectively utilizing microfinance services

S/N	Statement	Yes Responses		No Responses	
		Frequency	Percentage	Frequency	Percentage
1.	High-interest rates on loans remain a significant barrier for women trying to access microfinance services.	60	100	-	-
2.	Insufficient loan amounts provided by microfinance banks often fail to meet the capital requirements for starting or expanding businesses.	53	88.3	7	11.7
3.	Cultural and societal norms limit some women's ability to independently access and manage microfinance loans.	50	83.3	10	16.7
4.	A lack of financial literacy hinders women from fully understanding and utilizing microfinance services effectively.	60	100	-	-
5.	Many women in rural areas struggle with the complex loan application processes required by microfinance banks.	8	13.3	52	86.7

Table 4 revealed challenges are: High-interest rates on loans 60(100%); insufficient loan amount 53(88.3%); Cultural and societal norms 50(83.3%) and lack of financial literacy. The only statement that recorded a negative response was many women in rural areas struggle with the complex loan application processes required by microfinance banks. This confirms their literate level and number of literates around them.

## 5. Discussion of findings

Findings revealed that most of the respondents are married with formal secondary education. It was equally revealed that most of them engaged in trading and have been with the bank for over three year. It was established by that microfinance banks contribute to poverty reduction among Ekiti women.

Microfinance bank influence economic empowerment of women in Ekiti State through provision of loan, income generation, training programmes etc. It was also revealed that it influences their social empowerment through self-decision making.

Identified challenges revealed by the study are: High-interest rates on loans 60(100%); insufficient loan amount 53(88.3%); Cultural and societal norms 50(83.3%) and lack of financial literacy. The only statement that recorded a negative response was many women in rural areas struggle with the complex loan application processes required by microfinance banks. This confirms their literate level and number of literates around them.

## 6. Conclusion

Micro finance banks have positive effects on women's empowerment and reduce poverty level as they are able to access short term loans to run their businesses, and also to get rid of lack and want in their day to day activities. Women are able to access affordable financial assistance to assist in household activities. The presence of microfinance banks in the society has gone a long way in solving many social and economic problems that are ravaging peoples' lives. In addition to the financial gains, microfinance banks promote social empowerment, increasing women's engagement in the society, decision-making, and good quality of life. However, issues like exorbitant interest rates, lack of financial knowledge, and cultural barriers exist and may prevent these advantages from being fully realized. The study emphasized how, when these issues are successfully resolved, microfinance can have a revolutionary impact on reducing gender inequality and promoting sustainable development.

### Recommendations

- Strengthening Financial Literacy Programmes: Microfinance banks should intensify efforts to provide financial education to women, enabling them to make informed decisions about loans, savings, and investments.
- Reduction in Interest Rates: Regulatory bodies should work with microfinance banks to develop frameworks that reduce loan interest rates for women, particularly those in rural areas.
- Simplification of Loan Application Processes: Microfinance institutions should simplify the loan application procedures to ensure accessibility for women with limited formal education.
- Introduction of Gender-Sensitive Products: Banks should design financial products tailored to the needs of women, such as flexible repayment plans and group lending models that foster collaboration.
- Community Engagement and Awareness Campaigns: Awareness campaigns should be organized to educate communities' on the benefits of microfinance and address cultural and societal barriers that limit women's access.
- Partnerships with NGOs and Government: Microfinance institutions should collaborate with NGOs and government agencies to provide complementary services such as vocational training and mentorship programs for women entrepreneurs.
- Monitoring and Evaluation: Continuous monitoring and evaluation mechanisms should be established to assess the impact of microfinance services and ensure alignment with the needs of women beneficiaries.

By implementing these recommendations, microfinance institutions can maximize their contributions to poverty alleviation and women's empowerment, driving sustainable development in Ikere Local Government and beyond.

---

### Compliance with ethical standards

#### *Disclosure of conflict of interest*

No conflict of interest to be disclosed.

---

### References

- [1] Adebayo, S. T., Akinwale, B. O., & Adejumo, R. F. (2020). Challenges of microfinance operations in Nigeria: A critical review. *Journal of Development Studies*, 45(3), 233– 245.
- [2] Adepoju, K. A., Ogunlola, D., & Fakorede, T. (2020). Microfinance and poverty alleviation in southwest Nigeria. *African Economic Review*, 28(4), 102–119.
- [3] Adetola, S. (2019). Women's access to microfinance in rural Nigeria: Challenges and opportunities. *Gender and Development Studies*, 15(2), 45–62.
- [4] Afolabi, A. (2021). Sustainability of microfinance interventions in Ekiti State, Nigeria. *Journal of Rural Development*, 12(4), 23–39.
- [5] Afolabi, A. (2015). Impact of microfinance on poverty reduction in Ekiti State, Nigeria. *Journal of Economics and Sustainable Development*, 6(5), 75–86.
- [6] Akpan, E. S., & Nwosu, P. C. (2018). Microfinance and rural poverty alleviation in Nigeria: An empirical investigation. *Journal of Development Finance*, 12(3), 23–35.
- [7] Armendariz, B., & Morduch, J. (2010). *The Economics of Microfinance*. MIT Press.
- [8] Goetz, A. M., & Gupta, R. S. (1996). "Who takes the credit? Gender, power, and control over loan use in rural credit programs in Bangladesh." *World Development*, 24(1), 45-63.
- [9] Hunt, J., & Kasynathan, N. (2001). "Pathways to empowerment? Reflections on microfinance and transformation in gender relations in South Asia." *Gender & Development*, 9(1), 42-52.
- [10] Kabeer, N. (1999). Resources, agency, achievements: Reflections on the measurement of women's empowerment. *Development and Change*, 30(3), 435–464.
- [11] Karim, L. (2011). *Microfinance and its Discontents: Women in Debt in Bangladesh*. University of Minnesota Press.
- [12] Mayoux, L. (2002). Women's empowerment or feminization of debt? Towards a new agenda in microfinance. *International Journal of Microfinance Studies*, 14(1), 21–36.

- [13] Mayoux, L. (2000). "Micro-finance and the empowerment of women: A review of the key issues." *Social Finance Unit Working Paper*, 23.
- [14] Morduch, J. (2000). The microfinance schism. *World Development*, 28(4), 617–629.
- [15] Morduch, J. (1999). "The microfinance promise." *Journal of Economic Literature*, 37(4), 1569-1614.
- [16] Nawaz, S. (2010). Microfinance and women empowerment in rural Bangladesh. *International Journal of Research Studies*, 3(2), 51–59.
- [17] Ogunleye, T. (2018). Socio-cultural factors affecting microfinance utilization in Ekiti State. *African Journal of Cultural Studies*, 10(3), 88–104.
- [18] Okonkwo, O., & Fajobi, T. (2017). Women and microfinance in rural Nigeria: A case study of Ekiti State. *Journal of Gender Studies*, 14(2), 121–136.
- [19] Olalekan, T., & Ajibade, O. (2020). Impact of microfinance on household income in southwest Nigeria. *Journal of Financial Inclusion*, 6(2), 101–120.
- [20] Olawale, B., & Opeyemi, F. (2020). Institutional barriers to microfinance in rural Nigeria: Evidence from Ekiti State. *Journal of Development Economics*, 14(1), 55–67.
- [21] Olayemi, O., & Fadekemi, A. (2019). Challenges of microfinance operations in rural Nigeria: A case study of Ekiti State. *Journal of Financial Inclusion*, 7(2), 55–68.
- [22] Pitt, M. M., & Khandker, S. R. (1998). "The impact of group-based credit programs on poor households in Bangladesh: Does the gender of participants matter?" *Journal of Political Economy*, 106(5), 958-996.
- [23] Robinson, M. S. (2001). *The microfinance revolution: Sustainable finance for the poor*. World Bank Publications.
- [24] Yunus, M. (1999). *Banker to the poor: Micro-lending and the battle against world poverty*. Public Affairs.
- [25] Yunus, M. (2007). *Creating a world without poverty: Social business and the future of capitalism*. Public Affairs.