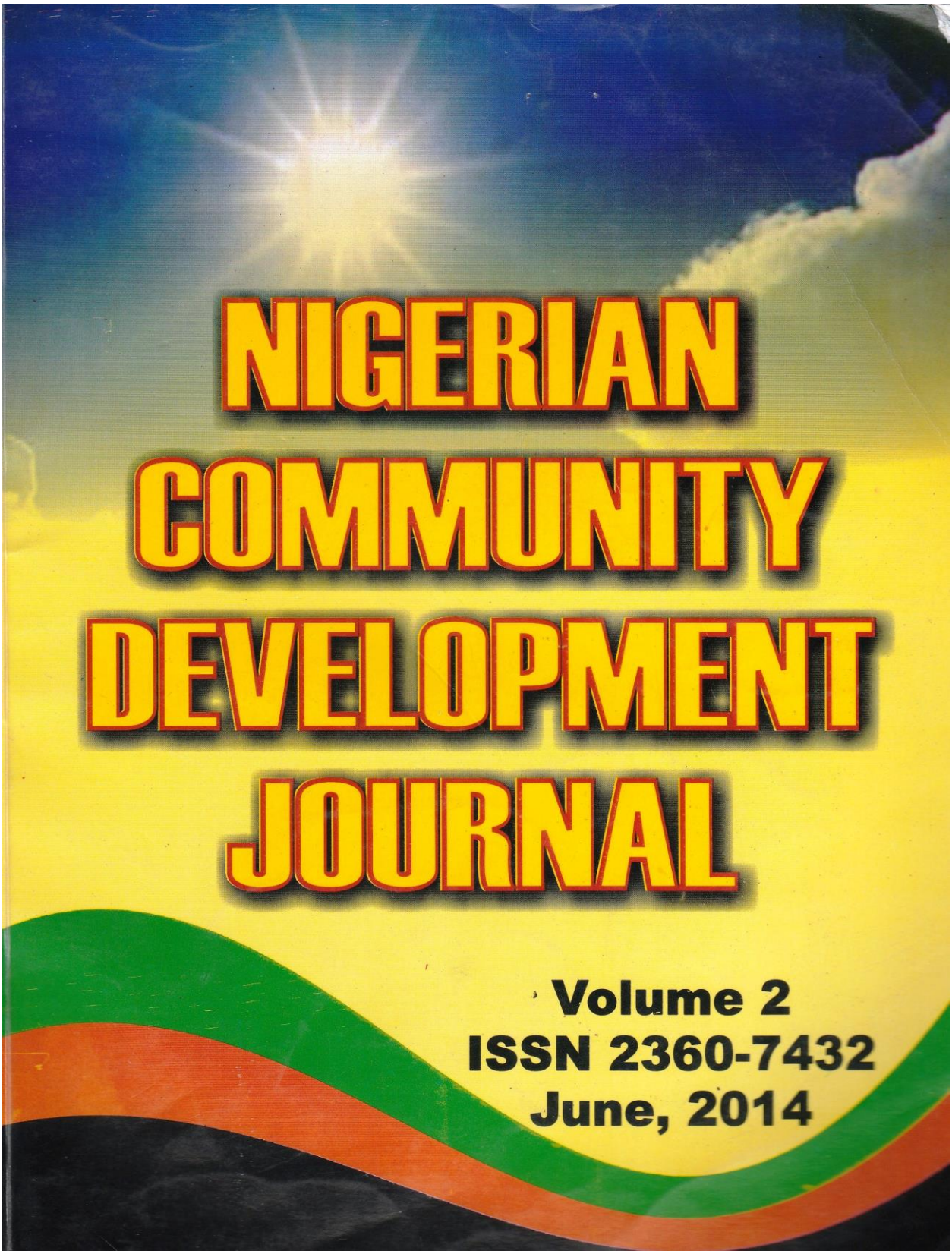

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EDITORIAL

The duty of previewing an edition of a journal conferred by the duty of a guest editor is as challenging as much as it is interesting. That of a Community development journal enlivens one's urge to contribute to the spirit and principles of community development. This task becomes more challenging when the articles are as revealing as much as they are interesting.

The first article in this edition gave an expose on strategies for ensuring sustainable participation of the adults in socio-economic development programmes in Benin municipality as well as its implications for programme planning and evaluation. Prof. F. E. O Omoruyi and Dr. Ehianu, S. E identified suitable strategies for ensuring sustainable participation to include proper integration of people into social affairs, creating enabling environment and use of local media resources.

In the second article, Dr. Olutoyin Alese analysed poverty-induced environmental degradation among indigenous women in Ondo State, Nigeria. Factors that determine food insecurity, malnutrition and non-availability of portable water include climate change and land depletion from excessive use of fertilizers due to non-access to land among the rural women. The community capacity building approach to improving good governance and developmental programmes at local government institutions in Nigeria was the focus of the article by Dr. W. N. Bello. It alluded that insufficient attention and funding have not been devoted to strengthening community capacity building. These have led to failure of good governance and too many development efforts at local government institutions in Nigeria.

The forth article assessed the effectiveness of immunization programme in community health development in selected local government areas. Adewuyi, E. A, Kuye, H. I and Titiloye, P. O analysed the National Programme on Immunisation and discovered that its awareness was high but utilisation was below recommendation. Factors responsible were non-availability of vaccine, high cost of transportation to immunization centres and inadequate personnel. Halliru S, Adamu A and Hassan M. S. B examined community development as a strategy for management of environmental disaster in rural Nigeria in the fifth article. It recommended that community groups should always be encouraged to get involved in the management of environmental disaster in the areas. Need to introduce and institutionalise Community-Based Environmental Disaster Management (CBEDM) was emphasised.

Dr. K. Aderogba assessed road infrastructure and sustainable community development in Ajah-Lekki area of Lagos metropolis, Nigeria. The roads are in deteriorating state and are being abused, thus threatening sustainable development of the community. Education and enlightenment were recommended to discourage unsustainable use of the road to enhance

sustainable community development. Gender equity and women empowerment as key elements to sustainable rural development in Nigeria formed the basis of the article by Dr. A. M. Momoh and U. C. Osu. Women empowerment and gender equity were found to relate significantly with sustainable rural development.

Capacity building in the context of inclusive education for sustainable development was assessed by Dr. J. E. Oghenekohwo. Importance of social inclusion in sustainable development was emphasised. Social exclusion was shown to lead to detrimental effect on economic, social and political life of the society. The article by Dr. O. A. Olawuni assessed capacity building and skill acquisition programmes for sustainable community development among the Corps members in Ogun State. The Skills Acquisition and Entrepreneurship Development (SAED) programme of the NYSC scheme were ex-rayed and its potential to assist youth transit from employment seekers to employers of labour was revealed.

In the tenth article, attaining sustainable livelihood through community education and rural development in Nigeria were assessed by Adeboga, D. Y. The role of adult education and community education as the springboard for national development was shown. Potentials of adult and non-formal education in providing educational opportunities and vocational training were revealed. Dr. W. N. Bello assessed community participation and mobilisation as catalysts to sustainable environmental disaster management in Nigeria in the eleventh paper. The paper posits that the present level of environmental disaster management requires involvement of non-governmental bodies through using the citizen participation approach. Effective mobilisation is advocated to ensure effective management of incessant environmental disaster in Nigeria.

The twelfth article was an expose by Dr. I. A. Abiona and Dr. O. O. Okoji on Micro-credit scheme as a correlate of poverty alleviation among traders in Ibadan metropolitan city, Oyo State, Nigeria. Access to micro-credit scheme dictated extent of poverty alleviation and assets possessed by small-scale business enterprises. Literacy promotion and training were proposed to aid the use of credit for economic activities.

This edition of the journal is recommended for all as it will serve a good reference material for academics, development planners and all that are involved in community development.

Prof. L. A. Akinbile
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MICRO CREDIT SCHEME AS CORRELATE OF POVERTY ALLEVIATION AMONG TRADERS IN IBADAN METROPOLITAN CITY, OYO STATE, NIGERIA

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Abstract
The incidence and magnitude of poverty in Nigeria has been on the increase and this has given rise to micro-credit, which has been in existence for a very long time now. The traders in Ibadan metropolitan embraced microcredit scheme to solve the problems of access to funding their business and alleviation of poverty. This study examines the influence of micro credit scheme on poverty alleviation among traders in Ibadan metropolitan city. Simple random sampling technique was used to select 300 participants who were used for the study. Two major instruments were used in the study; these were Microcredit Poverty Alleviation Inventory (MPAI) and Microcredit Beneficiaries Assessment Scale (MBAS). The finding shows that there was a significant relationship between microcredit scheme and poverty alleviation among the traders ($r = .538^*$, $N= 300$, $P < .01$). The finding further shows that there was significant relationship between microcredit scheme and increasing assets of small scale business enterprises ($r = .892^{**}$, $N= 300$, $P < .01$). The study has affirmed that while micro-credit has tremendous potentials as an instrument for poverty alleviation. It is recommended that complementary efforts such as literacy promotion and training should be given to those who lack the skills to enable them make good use of the credit for economic activities.

Key words: *Empowerment, infrastructure, micro-credit, poverty alleviation and resources.*

Introduction

The concept of poverty is not so easy to describe in view of the fact that no universally acceptable definition is available. Poverty has often been defined as a deprivation of entitlement through lack of access to economic and social resources, as well as to political participation and consultation (Onibokun and Kumuyi, 1996). In this definition, not only is poverty seen as a deprivation in

social and economic resources, but also as a marginalization in political participation. In a similar view, poverty is defined as the lack of material resources of certain duration and to such an extent that participation in normal activities and possession of amenities and living conditions are affected (Akeusola and Akinlabi, 2013). World Bank (2005) defined poverty as unacceptable human deprivation in terms of economic opportunity, education, health and nutrition, as well as lack of empowerment and security. The most common way to measure poverty is based on income or consumption line. A person is considered poor if his or her consumption level falls below 1USD per day, a level necessary to meet basic needs. This minimum level is called the poverty line (The World Bank, 2002). The Central Bank of Nigeria (1999) views poverty as a state where an individual is not able to cater adequately for his or her basic needs of food, clothing and shelter; and is unable to meet social and economic obligations, lacks gainful employment, skills, assets and self-esteem; and has limited access to social and economic infrastructure such as education, health, portable water, and sanitation; and consequently, has limited chance of advancing his or her welfare to the limit of his or her capabilities.

The incidence and magnitude of poverty in Nigeria has been on the increase. Poverty has been one of the main problems confronting succeeding Nigerian governments. There have been different efforts on the part of governments, non governmental organizations and individuals to solve the problem. This led to Nzenwa, (2000) believing that if poverty should be tackled, the issues of lack of money, education and other financial services should be integrated with group-based lending to the poor. Mbat (2000) was also of the view that poverty can be addressed through micro-credit scheme which is not an entirely new phenomenon in Nigeria. It has only been modernized with expanded scope and enhanced funding. It involves granting of small loans to groups of people and individuals who want to be self-employed without demanding for collateral.

Micro-credit schemes emerged to fill this gap in the financial service delivery system. Modeled after the Gramean Bank poverty reduction initiatives in Bangladesh, micro-credit scheme provide the delivery of small, low interest and non-collateralized credits to the rural poor, relying on social collateral and joint liability (Olomola, 2000).

Micro Credit Scheme

A credit culture is an important part of developed economy. Nzenwa (2000), believed credit creates new businesses. Credit culture helps people to develop ideas and execute such ideas. Credit purchase creates fund and increase investment for more production, thereby making more goods and services available for sales. By so doing, it creates a multiplier effect in terms of flow of goods and services. This leads to economic growth which could be transformed to

social and economic resources, but also as a marginalization in political participation. In a similar view, poverty is defined as the lack of material resources of certain duration and to such an extent that participation in normal activities and possession of amenities and living conditions are affected (Akeusola and Akinlabi, 2013). World Bank (2005) defined poverty as unacceptable human deprivation in terms of economic opportunity, education, health and nutrition, as well as lack of empowerment and security. The most common way to measure poverty is based on income or consumption line. A person is considered poor if his or her consumption level falls below 1USD per day, a level necessary to meet basic needs. This minimum level is called the poverty line (The World Bank, 2002). The Central Bank of Nigeria (1999) views poverty as a state where an individual is not able to cater adequately for his or her basic needs of food, clothing and shelter; and is unable to meet social and economic obligations, lacks gainful employment, skills, assets and self-esteem; and has limited access to social and economic infrastructure such as education, health, portable water, and sanitation; and consequently, has limited chance of advancing his or her welfare to the limit of his or her capabilities.

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Metropolitan Community, Oyo State, Nigeria. The objectives of the study are:

- to examine the extent to which microcredit scheme has helped in reducing poverty among the traders in Ibadan metropolitan community in Oyo State and
- to determine the relationship between microcredit scheme and the performance of small-scale traders.

Statement of Problem

The living condition in Africa, especially, Nigeria has greatly declined particularly in the last decade. Real disposable income has deteriorated, malnutrition rates have increased, food production has hardly kept pace with population growth, the quantity and quality of the health and education services have also declined. Despite its abundance potentials, Nigeria remains poor. Although the country is blessed with enormous resources, the citizens are living in penury.

In spite of a robust endowment in natural and human research, the level of poverty of her people stands in contrast to the country's enormous wealth. However, the factors that account for this situation include; corruption, mismanagement of resources, unemployment, lack of manpower, low standard in the educational system, low income distribution, low gross domestic national product (GDP, GNP), rural poverty, brain, marginalization, deprivation and human degradation, poor performance of sustainable policies and programmes and bad leadership. All these have contributed immensely to make the country and the region backward and underdeveloped. This study, therefore, examines the influence of micro credit scheme on poverty alleviation among traders in Ibadan metropolitan city.

Methodology

Research Sample

Simple random sampling technique was used to select 300 participants who were used for the study. The study sample comprised of 300 traders who benefited from the credit scheme and officials of 10 microcredit institutions within Ibadan metropolitan city in Oyo State.

Research Instrument

Two major instruments were used in the study. These are Microfinance Poverty Alleviation Inventory (MPAI) and Microfinance Beneficiaries Assessment Scale (MBAS)

Psychometric Properties of the Instruments

The questionnaires used for the study was subjected to peer review for validation process. The comments and suggestions made were utilized in restructuring the research instruments. The validation thus ensured face, content and constructs validity.

The test-retest method was used to determine the reliability of the instrument. The instrument was used to collect data using a pilot sample of 20 beneficiaries of the credit scheme and 3 micro-finance credit institutions in Oyo town in Oyo state. The value obtained from MPAI was $r = 0.87$ while MBAS was $r = 0.76$. This

shows the high reliability of the two instruments used in the study.

Demographic Characteristics of Respondents

Gender	Frequency	Percentage
Male	182	60.7
Female	118	39.3
Total	300	10.0

Data Analysis

The data collected for the study was analyzed with correlation statics data analysis

Hypothesis

The following hypotheses were tested at 0.05 level of significance.

$H0_1$: There is no significant relationship between microcredit scheme and poverty alleviation among the traders in Ibadan municipal community of Oyo state.

Variable	Mean	Std. Dev.	N	R	P	Remark
Relationship between microcredit scheme and Poverty alleviation among traders	25.2467 17.0867	3.1163 1.6355	300	.538**	.000	Sig.

** Sig. at .01 level, * Sig. at .05 level

It is shown in the above table that there was significant relationship between microcredit scheme and poverty alleviation among the traders (r = .538*, N= 300, P < .05).

$H0_2$: There is no significant relationship between microcredit scheme and the performance of small scale enterprises.

Variable	Mean	Std. Dev.	N	R	P	Remark
Relationship between microfinance credit scheme and the performance of small scale business enterprises	25.2467 20.9133	3.1163 2.4370	300	.892**	.000	Sig.

** Sig. at .01 level, * Sig. at .05 level

It is shown in the above table that there was significant relationship between microfinance credit scheme and the performance of small scale enterprises (r = .892**, N= 300, P < .05).

Discussion of Findings

It was shown through the data analyzed that microfinance credit scheme has helped to alleviate poverty among the traders because of the loans which they obtained from the microfinance institutions. This correlates with the view of (Khandler, 1998) who asserted that microfinance institutions lend small loans that require no collateral and are illiterate friendly with less paper work and convenient repayment schedules. The finding also tallies with the view of McGregor (2000) who observed that the convenience and other attributes of microfinance have gained microcredit scheme worldwide recognition as a reliable instrument for combating poverty. McGregor (2000) posited that success stories of individuals and microcredit scheme the world over indicate that the scheme could be a viable tool for poverty reduction.

The study reveals that households who are beneficiaries of the scheme witnessed gradual improvement in areas of wealth acquisition, level of cash earned or income, revenue earning assets, per capital expenditure on food, cloths, house utensils and other consumables. These findings suggest that a large majority of small scale business ventures would have been worst off without microcredit scheme. This tallies with the views of Okon, Etim and Offiong (2012) who opined that, microcredit scheme is a key strategy for changing the income levels of households and business ventures in Nigeria.

In the focus group discussion conducted with the market women in Bodija market in Ibadan, one of the participants said that the loan she obtained from the scheme was used to purchase many bags of rice and other products in her shop and this has improved her living standard and implored the operators of the scheme to extend the loan to other traders in the market. This agrees with the report of Abiona and Oluleye, (2010) who asserted that microfinance scheme of farmers' development union empowered women members and they were able to contribute their quota to the nation's development.

Conclusion and Recommendation

This paper has established that microfinance is indeed a strategy of poverty reduction. The microcredit scheme has been found to be an effective instrument for lifting the poor above the level of poverty by providing them with increased self-employment opportunities and making them credit worthy.

Based on the findings of this study, the following recommendations are made possible.

(i) Microcredit scheme can be more viable strategy for sustainable poverty alleviation but more is to be done on programme outreach and depth. The programme needs to accommodate more of the poor in the country.

(ii) Additionally, government should arrange enabling environment for the

microcredit programme by ensuring political stability and a stable macro-economic environment.

(iii) In order to have a sustainable microfinance intervention, the government should also keep infrastructures in place that link more remote areas to markets. \

(iv) Finally, erring staff of microfinance banks should be prosecuted in the court of law and penalized.

The study has affirmed that while micro-credit has tremendous potentials as an instrument for poverty alleviation. It suggests that complementary efforts such as literacy promotion and training should be given to those who lack the skills to enable them make good use of the credit for economic activities.

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