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Effect of Microfinance Banking in Enhancing Entrepreneurship among Women in Nigeria

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Abstract The study examined the effect of microfinance banking in enhancing entrepreneurship among women in Nigeria with specific interest in Anambra State. The problems of this study arose because of chronic women unemployment situation in Anambra State. The population of the study is 1571680 and sample size was 302. The researcher employed statistical package for social sciences (SPSS) as the method of data analysis. Primary and secondary sources of data were used. Questionnaire distribution were used as the tools for data collection. The study found that Microfinance credit enhances entrepreneurship among women in Anambra state. Microfinance deposit enhances entrepreneurship among women in Anambra state. Interest rate enhances entrepreneurship among women in Anambra state. It was recommended that Microfinance bank in Anambra State should be strengthened to embrace entrepreneurship devoid of imitation and vocational inclinations. Adequate financial, physical and human resources should be provided by various stakeholders not only for potential but also for existing SMEs. Microfinance banks should increase their provision of other services such as financial advice, commodity marketing, micro-insurance, leasing etc. to entrepreneurs. The Central Bank of Nigeria (CBN) should bring up regulations that would allow it to be fully involves in the coordination of the several other microfinance practitioners both in grassroots and up towns rather than leave them totally under the supervision of some state authorities or some private sectors.

Keywords: *micro financing, banking, economic development, micro credit, women empowerment, SME, entrepreneurship empowerment*

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1. Introduction

It is worthy to note that the contribution of microfinance to entrepreneurship activities is increasingly being recognized as a primary engine of economic growth. By combining existing resources with innovative ideas, entrepreneurs add value through the commercialization of new products, the creation of new jobs and the building of new firms. The Global Entrepreneurship Monitor (GEM) indicates that nations with higher levels of entrepreneurial activity enjoy strong economic growth. In short, entrepreneurs are the link between new ideas and economic development [1].

In most developing countries, Nigeria inclusive, financial services such as bank loans, insurance, and pension funds are inaccessible by the poor. When credit is available, it is often limited to either community savings groups or informal money-lenders who charge very high interest rates which most of our local entrepreneurs could not afford, and this reflects the lack of a formal market. The mobilization of savings at local level has been an important element for community development around the world for a long time. At the traditional schemes, individual have been utilizing loans through moneylenders, community savings, and the mobilization of local resources through concerted action(s) [2].

They involve in business activities such as small trading and retail activities, sales of food products, and manufacturing of local products especially, food stuff, production of sachet water, manufacturing of nylons, tourism, educational establishments and sales of communication items such as mobile phones, sales of recharge cards, phone accessories, among others. Also they engage in hotel services and agriculture for example, poultry farming, fish farming among others. One begins to wonder where they source funds to establish these businesses because, commercial banks traditionally lend to medium and large enterprises. These enterprises are judged to be creditworthy. Therefore, they avoid doing business with the poor and their micro-enterprises because of high cost and risk associated with credit granting.

Nonetheless, many micro enterprises are springing into action without formal financial institution’s support to provide the basic needs of the population (society). The federal government of Nigeria therefore, took a good step by enacting legislation for the establishment of community banks in the year 1990. The government aimed at reducing the financial constraints of small scale entrepreneurship and to assist the poor who are talented in doing business not to be left out. The effort of the government however, have been geared towards narrowing the income gap between the urban and the rural areas by breaking the cycle of unemployment, economic stagnation, and poverty. In order to achieve these goals, whether collective or individual, the urban or rural need to be financed and this requires enormous of capital infusion [3].

The practice of microfinance in Nigeria is culturally rooted and dates back to several centuries. The traditional microfinance institutions provide access to credit for the rural and urban low income earners. They are mainly the Self-Help Groups (SHGs) or Rotating Savings and Credit associations (ROSCAs) types. Other providers of microfinance services include saving collectors and co-operative societies. They generally have limited outreach due to paucity of loan able funds. Also, another evidence to support the existence of microfinance in Nigeria are the cultural economic activities such as “Esusu”, “Adashi”, “Otataje”, est, which were practiced to provide funds for producers in our rural communities [3]. The informal microfinance arrangement operates under different names such as ‘ESUSU’ among the Yorubasin Southwest, Nigeria, ‘ISUSU’ for the Igbos in the Eastern part and ‘ADASHI’ in the Northern part of the Country.

However, the common features of these groups are savings and credit components, informality of operations and higher interest in relation to the commercial banking sector. Therefore, all these traditional groups that perform the activities of Microfinance Institutions (MFIs) are found in all the rural communities in Nigeria. MFIs have become the main source of funding small scale enterprises in developing countries. It has created room for millions of households usually excluded from classical financial services to commence their own economic activities or to reinforce the existing efforts and become entrepreneurs in developing countries. Entrepreneurship is a potent instrument of activating the economic growth in developing countries. It is associated with job creation, wealth creation, poverty eradication, innovations, and its related welfare effects. As a result, many developing countries including Nigeria embark upon promotion of entrepreneurship through microfinance so as to achieve this objective.

[4] opined that the latent capacity of poor for entrepreneurship would be significantly enhanced through the provision of microfinance services to enable them engage in more economic activities and be more self-reliant, increase employment opportunities, enhance household income and create wealth. [5] asserted that with microfinance, graduates roaming the streets in search of jobs would have a new orientation to start their own business and become employers of labour and generate wealth for themselves, their families and the nation. [6] believed that robust economic growth could not be achieved without putting in place a well structured framework that could be meaningfully supported economic activities at the grassroots, such as the microfinance platform. He stressed that micro credit is an important liberating force in an economy and must be extended not only to poor but, to the active sector of the economy. Thus, this research work attempts to give an overview of how Microfinance impacts on entrepreneurship development in Nigeria with a special reference to women in Anambra State.

1.1. Statement of Problem

Microfinance institutions are agents of economic development in developing countries. People from developing countries have innovative ideas for their business, even as a shop keeper or household products manufacturer but they lack financial resources to implement their ideas. This results to low economic activities in developing countries and it leads them to more poverty, unemployment, and poor life standards. Therefore, there is need for establishment of MFIs so as to support the poor in order to proffer solution to their financial constraints, so that they can contribute a productive part of the society to make it sustainable [7].

Entrepreneurship development in Nigeria is basseted with a number of problems. These problems manifest differently in different countries. However, there are certain problems which are common to entrepreneurship in Nigeria. These include inadequacy of capital for production investment, problem of accessing financial assistance from the banking institutions, undeveloped infrastructural facilities for the development of entrepreneurship take–off, asymmetric information in regards to business climate, complex bureaucratic procedures in setting-up a business and high cost of doing business. [8] is of the view that microfinance recognizes the peculiar challenges of micro enterprises and of their owners. It recognizes the inability of the poor to provide tangible collateral and therefore promotes collateral substitution; disbursement and repayment are structured to suit credit need and cash flow pattern of small business. Thus, this research work attempts to give an overview of how microfinance enhance entrepreneurship among others.

2. Review of Related Literature

2.1. Joseph Schumpeter’s Theory

[9] argues that entrepreneurial innovation can be financed only by the expansion of credit. He also maintains that “the entrepreneur is never the risk bearer”. “Even though he may risk his reputation, the direct responsibility of failure never falls on him”. Risk is borne by those who supply the capital, principally the creditors. Even if the entrepreneur supplies part of the capital, he does so in his capacity of a capitalist, not as an entrepreneur. The function of the entrepreneur is to reform the pattern of production by exploiting an invention or more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by re-organizing an industry and so on. This function does not essentially consist in either inventing anything or otherwise creating the condition which the enterprise exploits. In Schumpeter view the supply of entrepreneurship is a function of the rate of profit and the ‘social climate’. He further posited in this model that a good economy system would normally encourage entrepreneurship while moribund economic

system would discourage entrepreneurship. In this thinking a development policy tending towards government intervention or regulations designed to limit profit or redistribute income or squeezing private gain such as government price controls and taxation will ultimately discourage entrepreneurship. In Schumpeter's concept a variable 'social climate' is a complex phenomenon encompassing the whole social, political and socio psychological environment within which the entrepreneur must operate and invest in. It includes the educational system, the social values, the class structure, the nature and extent of prestige and other rewards that accompany business success, as well as the attitude of society towards business success according to Higgins in [10]. This theory is the basis for this study because, if microfinance banks are active and playing essential role in the development of entrepreneurship development in Nigeria, young entrepreneurs will have insight, self-esteem and knowledge to act where others have hesitated.

2.2. Empirical Review

[7] examines the impact of rural banks loan on the performance of SMEs in Nigeria for the period spanning 1992 to 2010. The study employed an error correction modeling technique and observed that rural banks loan to the SME sector had insignificant impact on manufacturing output both in the long and short run. Based on the findings, the study recommended the need for greater deliberation and conscious effort by the government in ensuring that loans are given to ultimate users. There is also the need for moderation of collaterals and interest rate attached to rural banks loan to SMEs, to make it more attractive to stakeholders in the SMEs sector, manufacturing output is measured by the output of the sector over the period of study; labor force is measured by the total working population; capital stock is proxy by gross capital formation; rural bank loan to SME sector is measured by the yearly amount of bank loan advanced to the sector; interest rate is measured by monetary policy rate, Data on manufacturing output, gross capital formation, bank loan to SME sector, and interest rate.

[11] employs Co-integration and Error Correction Modelling (ECM) techniques to investigate empirically the impact of rural bank loan on Nigeria's Small and Medium Scale enterprises (SMEs) between 1986 and 2012. The results revealed that SMEs and selected rural bank loan have a long run relationship with SMEs output. The variables were on SMEs, rural bank loan to Small scale enterprises, Savings and Time deposit with Commercial rural banks, Exchange rate of naira, Interest rate, number of commercial bank and Total government expenditure. The study also reveals that savings time deposit and exchange rate have a significant impact on the performance of SMEs in Nigeria. Furthermore, commercial bank credit to SMEs, total government expenditure and bank density has direct but insignificant impact on the country SMEs output this may be connected with stringent policy in accessing credit facility and the crowd out effect of government expenditure in the economy. The study also shows that interest rate has adverse effect on SMEs output.

[12] examines the role of commercial rural banks in financing small and medium size businesses in Nigeria. The main objective of the study is to examine the role of commercial rural banks in financing SMEs in Nigeria. Structured questionnaire were distributed to the respondents which includes the commercial banks staff and selected SMEs staff in Anambra State Nigeria. Three research hypotheses were tested using the chi-square. However, the 109 questionnaire administered to the bankers and SMEs were analyzed and presented in tables with the use of percentage and chi-square method. Therefore, the study found that small and medium size businesses encounter problem in the procurement of loans from commercial banks; also commercial rural banks have contributed immensely to the development of SMEs through their loans and advances. [13] examines effect of rural Bank Lending on small and medium scale enterprises lending in Nigeria. It is based on this, the study employed time series data from 1992 to 2013 to examine the impact of rural bank lending on small and medium scale enterprises (SMEs) lending in Nigeria using Augmented Dickey-Fuller (ADF) unit root test, Johansen co-integration test and vector error correction model techniques. The unit test results indicated that all the variables were non stationary at level but became stationary after first difference.

The Johansen co-integration test showed evidence of long run relationship between small and medium scale enterprises lending and rural bank lending. The vector error correction model results revealed that lending to small and medium scale enterprises leads to economic growth in Nigeria. Also, the study found that bank lending rate does not impact on SMEs lending in Nigeria. The implication of these results is that lending to small and medium scale enterprises is crucial to the growth of Nigerian economy.

[5] analyzed the effects of rural commercial banks and growth of small and micro enterprises operating in Nairobi Central Business District. The study sought to answer the following research questions; How does collateral requirements by commercial banks affect growth of SMEs? How does financial information required by Commercial Banks at the appraisal stage affect growth of SMEs, How does interest rates charged by Commercial Banks affect growth of SMEs? and how has interest rates capping affected uptake of credits by SMEs? This study used descriptive survey research design and targeted a population of 838 respondents operating SMEs in the Nairobi Central Business District. A sample size was computed using Yamane formulae. 225 respondents were interviewed from each shop selected. Questionnaires were used to obtain important information about the population. The study used both primary and secondary data. Primary data is the information the researcher obtained from the field. Primary data was collected using semi-structured questionnaires. The questionnaires were administered using the drop and pick method. Descriptive statistics such as means, standard deviation and frequency distribution was used to analyze the data.

[14] examined that effect rural bank credit on small and medium scale enterprise in Kenya from 1985-2015, the

study used ordinary least square method for its analysis, the variables were on commercial bank rural deposit, rural loan, interest rate, inflation rate and small and medium scale enterprises. The study also found a strong positive correlation between SMEs growth and development and knowledge on financial information where the correlation coefficient was 0.633. More so a strong negative correlation between SMEs growth and development and high interest rates was found as the correlation coefficient was - 0.602. Lastly the study also found a strong negative correlation between SMEs growth and development and interest rates capping (correlation coefficient = -0.648). The study concludes that Collateral requirement has been one of the major hindrances for SMEs access to credit from commercial banks. Majority of the SMEs owners do not have sufficient collateral which is a major requirement for credit access. The current banks' lending rates have discouraged many SMEs owners to go for short term and long loans for their businesses, SMEs owners were not satisfied with the lending terms because of high interest rates, short repayment period and long-time taken to process the credit facility.

[15] determines the effect of bank financing on the financial performance of SMEs in Nairobi County, Kenya. This research was conducted through a descriptive research design. The descriptive research design was considered appropriate as it enables description of the characteristics of certain groups, estimation of the proportion of people who have certain characteristics and making of predictions. This study used quantitative, secondary data. The secondary data sources were obtained from the KPMG Top 100 SMEs survey in Kenya over a period of 5 years (2009-2013). The data was collected based on the information about the variables. Quantitative data was analyzed by descriptive analysis while qualitative data through content analysis. The study provides information to policy makers, scholars, academicians and investors on the effect of bank financing on the financial performance of SMEs. From the findings, the study established that bank financing and SMEs' size positively affected the SMEs' financial performance while SMEs' tangibility had an inverse relationship with the SMEs' financial performance.

[16] assessed the impact of bank recapitalization on both credit availability to and equity investment in SMEs in Nigeria. The study formulates three hypotheses and applies three sets of simple regression to analyse banks aggregated secondary data extracted from various Central Bank of Nigeria(CBN)'s publications over the period 2001 through 2008. The study couldn't find evidence that bank recapitalization has significant impact on credit availability to SMEs but confirms that it has significant impact on banks' equity investment funds under Small and Medium Enterprises Equity Investment Scheme (SMEEIS). The study therefore, recommends that the Federal Government should come up with credit guarantee scheme to motivate banks to grant more credit to the SMEs. Also, CBN should facilitate the emergence of smaller banks that will provide an alternative to the preference of megabanks to finance big-ticket transactions at the expense of small borrowing such as that of SMEs. Furthermore, CBN should embark on awareness campaign to sensitize SMEs on SMEEIS and the requirement for accessing the funds in view of the gap observed between funds available and funds disbursed under the scheme.

[17] examines the impact of commercial banks in financing small and medium scale enterprises (SMEs) in Nigeria between 2002 and 2012. A sample of ten (10) commercial banks is drawn for the study and individual bank data and macroeconomic time series annual data were collected. Using panel data regression analysis, the results reveal that commercial bank has significant impact on SMEs' financing as deduced from the results of constant effect, fixed effect and random effect models which show that commercial banks credit to SMEs, the ratio of credit to SMEs to total credit in the economy and equity of commercial banks explain a substantial proportion of changes that arise in SMEs' financing. This study suggests that commercial banks are capable of making SMEs grow.

[10] explores, the relationship between SME credit and each of Unemployment and poverty respectively, using Pearson's correlation, and further examines the impact of Deposit money bank credit to SMEs on economic growth in Nigeria using Ordinary least squares regression. Data employed for this study was annual data from 1992 to 2015 obtained from the Central Bank of Nigeria Statistical Bulletin. The Pearson's correlation revealed a negative but insignificant relationship between SME credit and Unemployment, and a negative and highly statistically significant relationship between SME credit and poverty. The results of Ordinary Least Squares regression revealed that SME credit has a negative and highly statistically significant impact on economic growth in Nigeria. s the creditworthiness of SMEs in applying for loans, amongst other recommendations.

3. Materials and Methods

3.1. Research Design

The study adopted a descriptive research design which helps in obtaining first hand data from the respondents which will enable sound empirical analysis.

3.2. Area of Study

Anambra is a state in southeastern Nigeria and state was created on 27th August 1991. Anambra state has a common boundary with, Imo State, Enugu state and Delta state. The capital and seat of Anambra is Awka, while the commercial hub of the State is Onitsha and industrial city of the state is Nnewi. Anambra State occupies about 45,917 square kilometers with a population as 4,177,828 according to 2006 population census. Anambra State consists of 21 local government areas, with three senatorial districts such as Anambra North, Anambra South and Anambra central.

3.3. Population of the Study

Population is the totality of any group, persons or object which is defined by unique attributes. in order words, population is any groups that have even been focused upon the researcher. To have an extensive courage of this study, the population of this research is the all the women in Anambra state. The population of the study comprised of 1,571,680 of women in Anambra state.

3.4. Sample Size Determinants

Given the nature of this study, it was difficult to cover the entire population of (4871), so a fair representative sample of the population therefore was imperative. Accordingly, the sample size for the study was determined by using the Borg & Gall formula for calculating sample size as follows

$$n = (1.960)^2 \, (0.05) \, [1,571,680]$$

$$n = (1.960)^2 \, (0.05) \, [1,571,680]$$

$$n \; = (3.8461) \;\; (78584)$$

$$= 302241 \Rightarrow 302$$

$$n = 302$$

3.5. Source of Data

The most crucial operation in the executive of a research work is collection of data because such information and data are necessary for arriving at the solution of the problem being investigated. Under going research of this nature, call for the use of both primary and secondary source of data to make the work more reliable.

3.5.1. Primary Sources of Data

[14] define primary source of data as the data collected first hand information from the original source for the user express purpose such data are usually obtained from the planned experimented observation or recording of official transactions of the questionnaires was designed and distributed to respondents and later collected and analyzed by the researcher.

3.5.2. Secondary Sources of Data

The secondary Source of data was obtained from the review of related literature. In other words the researcher consulted published and unpublished books, journal, workshops, newspapers, and magazines,

3.6. Validity and Reliability of the Instrument

The instrument for data collection was subjected for fact and content validation to three research experts in the Faculty of management. These experts pointed out the research items contained in the questionnaire that were not well constructed, and with the help of the project supervisor, the researcher amended them to suit the research objectives. Reliability of the research instrument simply means the idea that another researcher would obtain the same findings if the study was repeated. In other words, reliability is the degree to which the instruments are error free and thus yield consistent results after repeated trials.

The reliability of the instrument was maintained through the test-retest method. According to Kathuri and Pals (1993), 10 is minimum number that can yield meaningful results on data analysis in a survey research; and as a result, the researcher conducted a pretest with (10) copies of the questionnaire administered to ten (10) respondents at two points in time at one-week interval. The responses of number of the respondents that strongly agreed or agreed were collated and scores correlated using the spearman's rank correlation of coefficient. The coefficient of the reliability was found to be high as Rs=0.79394. This indicates a strong and positive correlation. Therefore, the research instrument was adjudged as being very reliable.

4. Results and Discussion

4.1. Socio-economic Status of Respondents

In Table 1, out of the three hundred and two (302) respondents, two hundred and eighty (208) of the respondents, representing 68.9% are married while ninety-four (94) respondents which represent 29.5 percent are single. It is therefore glaring that the majority of the respondents are married as at the time of this study. Thus marital status table helps us to know the number of single, and married respondents that answered the distributed questionnaires.

Table 1. Respondents' Demographic Variables

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	208	65.2	68.9	68.9
	single	94	29.5	31.1	100.0
	Total	**302**	**94.7**	**100.0**	

Source: Field Survey 2021.

Table 2 depicts the age bracket of the respondents. The distribution shows that 9.6% of the respondents are between the age brackets of 18 to 25 years while 24.2% respondents are within the age bracket of 26-33 years. On the same note, 34.4% of the respondents are within the age bracket of 34 - 40 years. On the same note, 9.3% of the respondents are within the age bracket of 41 - 50 years, while the remaining respondents representing 22.5% are within the age bracket of 51 years and above.

Table 2. Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	29	9.1	9.6	9.6
	26-33	73	22.9	24.2	33.8
	34-40	104	32.6	34.4	68.2
	41-50	28	8.8	9.3	77.5
	51-above	68	21.3	22.5	100.0
	Total	**302**	**94.7**	**100.0**	

Source: Field Survey 2021.

Table 3 indicates that twenty-nine (29) respondents which representing 8.6% percent maintain to acquired WAEC OR NECO while 33.1% percent of the respondents which represents one hundred and twelve (112) have BSC/HND. However one hundred and seventy-four respondents which represent 51.5 percent either have MSC or MBA. The respondents that have

PHD are numbered twenty-three which represent 6.8%. This as the one of demographic item helps us to identify the education qualification of the respondents.

Table 3. Level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	WAEC/NECO	29	8.4	8.6	8.6
	BSC/HND	112	32.6	33.1	41.7
	MSC/MBA	174	50.6	51.5	93.2
	PHD	23	6.7	6.8	100.0
	Total	**302**	**98.3**	**100.0**	

Source: Field Survey 2021.

Table 4. Years in business (Years of experience)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-10	76	23.8	25.2	25.2
	11-15	127	39.8	42.1	67.2
	16-20	68	21.3	22.5	89.7
	21-above	31	9.7	10.3	100.0
	Total	**302**	**94.7**	**100.0**	

Source: Field Survey 2021.

The table above shows that respondents whose are in service falls between 1-10 yrs were seventy (76) which represents 25.2 percent. This is followed by those in service between 11-15 years with one hundred and twenty-seven (127) which represents 42.1%. Also those in service between 16-20 yrs were sixty-eight (68) which represents 21.3%. Lastly, those within 21-above were thirty-one which represents 9.7 percent. The implication of years in-service is to enables us have a clear view of those who have been in service for a particular period of time.

4.2. Hypothesis Testing

The need to examine the relationship between the collected data and the stated hypothesis has called for this section. This result will be compared with the statistical criteria to see if the preconceived notion in this research work holds or not.

HO: Microfinance credit does not enhance entrepreneurship among women in Anambra State

Ho_1: Microfinance credit enhance entrepreneurship among women in Anambra State.

The test table reveal that wide significance value (F. sig<.05) indicate group differences. Since the F- value of 4.742 which has a significance of .015 is less than .05 (i.e .001<.05), there exist no group difference among the variables. Therefore, Microfinance credit enhance entrepreneurship among women in Anambra state.

ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	3242.5981	3	1794.190	4.742	.015
Within Groups	6734.279	299	378.389		
Total	77436.800	302			

Source: SPSS Version 21, 2021.

Hypothesis Two

HO: Microfinance credit does not enhance entrepreneurship among women in Anambra state

Ho_1: Microfinance deposit enhance entrepreneurship among women in Anambra state

We discover that in the F-statistics column the value for colleagues stress is 3.233, while its probability is 0.009 since its probability is less than 0.05% desired level of significance, we reject the null hypothesis and accept alternative hypothesis, which states that Microfinance deposit enhance entrepreneurship among women in Anambra state.

ANOVA

LS

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	4838.324	1	2419.162	3.233	.009
Within Groups	6598.476	301	388.146		
Total	11436.800	302			

Source: SPSS Version 21 2021.

Hypothesis Three

Ho_1: Interest rate does not enhance entrepreneurship among women in Anambra state

Ho_1: Interest rate enhance entrepreneurship among women in Anambra state

From the regression result, we discover that in the F-statistics column the value for Management Stress is 2.807, while its probability is 0.88 since its probability is greater than 0.05% desired level of significance, we reject the null hypothesis and accept alternative hypothesis, which states Interest rate enhance entrepreneurship among women in Anambra state.

ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	2839.200	2	1419.600	2.807	.088
Within Groups	8597.600	300	505.741		
Total	11436.800	302			

Source: SPSS, Version, 2021.

5. Conclusion

In the literature, most studied on Nigeria has tried to explain the effect of microfinance bank and entrepreneurship among women in Anambra state. A few numbers of studies has been conducted to check the effect of microfinance bank and entrepreneurship among women in Anambra state in selected firms in South East States of Nigeria. Three objectives and three research hypotheses were raised and tested in this study at 0.50% level of significance. The data collected through questionnaire were analyzed using ordinary least square method. The following findings emerged thus;

i. Microfinance credits enhance entrepreneurship among women in Anambra state
ii. Microfinance deposits enhance entrepreneurship among women in Anambra state
iii. Interest rate enhances entrepreneurship among women in Anambra state

In line with the findings of the study the following recommendations are made; Public seminars and orientation should be held in rural areas to give women proper insight on the activities of the microfinance and how it can help them improve their business. Microfinance bank in Anambra State should be strengthened to embrace entrepreneurship devoid of imitation and vocational inclinations. Adequate financial, physical and human resources should be provided by various stakeholders not only for potential but also for existing SMEs. Microfinance banks should increase their provision of other services such as financial advice, commodity marketing, micro-insurance, leasing etc. to entrepreneurs.

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