



PERCEPTION OF WOMEN TOWARDS MICROCREDIT SCHEME IN VADI COMMUNITIES OF KWARA STATE NIGERIA

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ABSTRACT

The study examined the perception of women towards microcredit scheme in Vadi communities of Kwara State. It specifically assessed the socio-economic characteristics of women beneficiaries, the types of microcredit institutions they patronize, and their perceptions of microcredit schemes. This study employed multistage sampling techniques for selecting the respondents. Data collected from 300 respondents were analyzed using descriptive statistics. The findings indicated that majority (69.67%) of the respondents were within the productive age range of, predominantly married (85.33%), and largely literate, with 64.33% having formal education. The average Household sizes were 33.3 generally large, with 73% having 6–10 members. Women relied heavily on structured microcredit institutions, especially vadi (94.33%), followed by LAPO (48%) and SEAP (42%). Perceptions of microcredit were largely positive, as respondents viewed it as accessible year-round, a major source of livelihood and empowerment, and easier to obtain than commercial bank loans. Also, the perceptions captured in this study support the view that microcredit programmes can be an important resource for women in agriculture seeking to improve their livelihoods and achieve financial independence. They also recognized its role in providing financial relief, facilitating asset acquisition, and supporting group lending to reduce default. Despite these benefits, concerns were raised about the constraints such as embarrassment, unfair treatment, and fluctuating interest rates. The study concludes that women in the study area perceived microcredit to be positive and significantly supports women's economic activities. The study recommends the need for expanding outreach and improving loan processes to enhance effectiveness.

Keywords: Perception, Microcredit, Scheme, Livelihood, Improvement

INTRODUCTION

Microcredit has long been recognized as an important economic empowerment strategy, particularly in developing countries. It is widely applied not only by microcredit practitioners but also by governments, donors, development agencies, banks, universities, consultants, and philanthropists, among others (Khalaf and Saqfalhait, 2020). This empowerment approach is considered capable of promoting self-reliant and self-sufficient economic development, especially within the micro and non-formal sectors of national economies (Obayelu and Chime, 2020). According to Jawondo and Oshewolo (2020), microfinance programs are believed to enhance self-confidence, self-reliance, and a culture of independence, while promoting livelihood diversification. Through access to small loans, women are encouraged to believe in their own ability to improve their living conditions.

Beyond agricultural production needs, rural farmers also demand credit for non-agricultural expenses such as food, housing, clothing, education, litigation, and traditional ceremonies. However, these forms of credit do not directly increase farm income and may not support timely loan repayment. For microcredit outreach and repayment to be effective, farmers require proper orientation, and loans must be adequate and disbursed promptly.

Dossou and Houessou (2020) observed that farmers who accessed microfinance institutions were not significantly better off than those who did not borrow. Similarly, Nusrat (2021) argued that



microfinance does not inherently empower women; rather, it serves as a catalyst enabling them to negotiate and recreate acceptable social spaces within existing gender norms. This argument reflects emerging concerns about the overly optimistic evaluations of development and microfinance interventions, which often treat beneficiaries as passive recipients, even though they actively shape these interventions to fit their aspirations and contexts.

Nevertheless, poverty among women—particularly in developing countries—remains largely a rural issue. Addressing this aligns with the Millennium Development Goals, which emphasized improving the livelihoods of the poor, especially women who constitute the majority of rural populations.

- i. describe the socio-economic and livelihood characteristics among the respondents;
- ii. identify the types of microcredit facilities women sources credit from.
- iii. assess the perception of women towards microcredit scheme.

METHODOLOGY

The Study Area

The study was conducted in Kwara State, located between latitudes 11°02' and 11°45'N and longitudes 2°45' and 6°04'E (National Population Commission). The state covers approximately 32,500 km². It is bordered to the north by Niger State, to the south by Oyo State, Osun State and Ekiti State, and to the east by Kogi State. To the west, it shares an international boundary with the Republic of Benin. The state experiences a dual seasonal climate—dry and wet seasons—with the peak rainfall occurring between July and September. Monthly rainfall ranges from 50.8 mm to 241.3 mm, while the annual mean varies between 745.5 mm and 1,409.2 mm. The average temperature ranges from 18°C to 35°C. Kwara State also contains 24 forest reserves covering about 5,087.2 km² (National Population Commission).

Sampling Technique and Sample Size

A multi-stage sampling procedure was used for the study. In the first stage, two local government areas—Ifelodun and Ekiti—were purposively selected due to their high concentration of women farmers participating in the VADI programme. The second stage involved the random selection of two communities from six participating communities in Ifelodun LGA (Koko-Araromi and Jimba-Oja), and one community from three participating communities in Ekiti LGA (Osi). In the third stage, two communities each were randomly selected from the six selected LGAs, giving a total of twelve communities. At the fourth stage, one microcredit society or group was selected from each of the twelve communities. Finally, at the fifth stage, twenty-five rural women processors who had benefited from microcredit facilities were randomly selected from each society or group, giving a total sample size of 300 respondents.

Data Collection and Analysis

Data were collected using a structured interview schedule and analyzed using descriptive statistics such as frequency, percentage and mean.

RESULTS AND DISCUSSION

Age Distribution of the Respondents

Table 1 showed that the majority (69.67%) of respondents were between 31 and 60 years of age, with a mean age of 38 years. Additionally, 12.33% were below 30 years, while 18% were above 60 years. This indicates that most respondents fall within the productive and economically active age group. This finding aligns with the report of the International Fund for Agricultural Development (IFAD, 2019), which states that young people, particularly women, play a significant role in transforming the agricultural sector by introducing new ideas and innovative approaches that enhance productivity and profitability.

The Table further revealed that 85.33% of the respondents were married, while 8.67% were single, and the proportions of divorced and widowed respondents stood at 3% each. This implies that a higher percentage of married women participate in processing activities, which may contribute to



improved household income, increased self-sufficiency, enhanced decision-making power, and better living standards. This result supports the findings of Adebayo *et al.* (2021), who reported that microcredit significantly improves the livelihoods of married women by boosting their agricultural productivity, income, and overall economic empowerment.

In terms of educational attainment, 35.67% of respondents had informal education, while 19%, 40.6% and 4.67% had primary, 4 secondary, and post-secondary education, respectively. This indicates that a majority (64.33%) of respondents were literate, suggesting that processing activities would likely be positively influenced by their ability to adopt new innovations, follow microcredit guidelines, and engage in improved processing methods. This finding is consistent with Asfaw *et al.* (2021), who established that literacy significantly enhances the livelihoods of women involved in agricultural processing.

The results also indicate that 73% of respondents had household sizes between 6 and 10 members, while 22.67% had fewer than 5 members, and 4.33% had 10 members or more. This suggests that most respondents maintained relatively large households, which may provide access to family labor. However, larger household sizes may also increase financial responsibilities. Omelewu *et al.* (2020) noted that women with large households often face challenges accessing credit for agricultural processing due to limited collateral and higher risk perceptions by lenders. Conversely, Deininger *et al.* (2021) found that women with larger households may benefit from increased labor for agricultural activities, potentially improving their productivity and income—though access to markets and essential inputs remains critical

Table 1: Age Distribution of the Respondents

| Age | Frequency | Percentage (%) | Means |
|-----------------------|-----------|----------------|----------|
| ≤ 30 | 37 | 12.33 | 38 years |
| 31 – 60 | 209 | 69.67 | |
| ≥ 61 | 54 | 18.00 | |
| Marital Status | | | |
| Single | 26 | 8.67 | |
| Married | 256 | 85.33 | |
| Divorce | 9 | 3.00 | |
| Widow | 9 | 3.00 | |
| Educational | | | |
| Informal | 14 | 35.67 | |
| Primary | 57 | 19.00 | |
| Secondary | 122 | 40.67 | |
| Tertiary | 107 | 4.67 | |
| HH Size | | | |
| ≤ 5 | 189 | 22.67 | |
| 6-10 | 19 | 73.00 | |
| ≥ 10 | 92 | 4.33 | |
| Total | 300 | 100.00 | |

Source: Survey 2026

Types of Micro-Credit Institutions Women Sources Credit From

Results from the study indicated that most (94.33%) of the respondents belonged to Vadi micro-credit institutions. The micro-credit institutions closest to the respondents were ranked in the following order: LAPO (48%), SEAP (42%), grooming (30.67%), Grace and Mercy (25.67%), SIGEE (20.33%), Bisi Cash (8%), Sharp-Sharp (4.33%), Beam of Hope (2.67%), and Soldier (1.67%). The Implications of this findings high proportion of respondents (94.33%) linked to grooming micro-credit institutions suggests that most women in the study area rely heavily on structured microfinance services for their processing and livelihood activities. The dominance of institutions such as LAPO (48%) and SEAP (42%) indicates that these organizations have stronger outreach, better accessibility, and possibly more flexible credit conditions that attract rural women. The lower percentages for institutions like Beam of



Hope (2.67%) and Soldier (1.67%) may imply limited presence, lower credibility, stricter loan terms, or poor awareness among potential clients.

Overall, the pattern suggests that access to micro-credit is widely available, but women’s choices are influenced by proximity, institutional reputation, ease of loan processing, and service reliability. This has significant implications for policy makers and micro-finance operators: strengthening the capacity of less-patronized institutions and improving their community engagement could broaden financial inclusion and enhance livelihood opportunities for rural women.

Table 2: Types of Micro-Credit Institutions Women Sources Credit From

| Microcredit Institutions | Frequency | Percentage (%) | Rank |
|--------------------------|-----------|----------------|------------------|
| vadi | 283 | 94.33 | 1 st |
| LAPO | 144 | 48.00 | 2 nd |
| SEAP | 126 | 42.00 | 3 rd |
| groming | 92 | 30.67 | 4 th |
| Grace and Mercy | 77 | 25.67 | 5 th |
| SIGEE | 61 | 20.33 | 6 th |
| Bisi Cash | 24 | 8.00 | 7 th |
| Sharp-Sharp | 13 | 4.33 | 8 th |
| Beam of Hope | 8 | 2.67 | 9 th |
| SOLDIER | 5 | 1.67 | 10 th |

Source: Survey 2026

Women Perception towards Microcredit Facilities

The results indicate women’s perceptions of microcredit facilities, showing that most respondents strongly agreed with several key statements. They strongly believed that microcredit is available and accessible all year round, helping them avoid the embarrassment associated with seeking financial assistance from family with a mean of ($\bar{x} = 4.63$). They also strongly perceived microcredit as a major source of livelihood and empowerment ($\bar{x} = 4.63$), and agreed that it is easier to access than loans from commercial banks ($\bar{x} = 4.59$). Respondents further agreed that microcredit facilities often offer interest rates that may be higher or lower than those of commercial banks ($\bar{x} = 4.23$) and that they provide opportunities to access credit from multiple sources to meet urgent needs ($\bar{x} = 4.21$). They also perceived microcredit as a source of financial relief during periods of distress ($\bar{x} = 4.15$) and agreed that microcredit allows them to acquire assets through installment payments. In addition, they believed that group lending is effective in minimizing repayment defaults ($\bar{x} = 4.13$). However, some respondents expressed concerns about embarrassment and unfair treatment by certain microcredit facilities ($\bar{x} = 3.92$). They also noted that accessing microcredit involves fewer bottlenecks compared to commercial banks ($\bar{x} = 3.19$). Implications of These findings imply that microcredit programmes generate diverse but largely positive perceptions among women farmers, shaped by their experiences with availability, accessibility, interest rates, and loan conditions. However, the results also highlight that the actual accessibility of microcredit can vary depending on the specific institution, geographical location, and prevailing economic conditions. Such variations influence how farmers perceive and engage with microcredit.

This aligns with Ogunniyi and Isitor (2020), who found that although microcredit may be viewed as a source of financial support, its perceived usefulness is often shaped by external factors such as administrative practices, loan terms, and market conditions. Therefore, while microcredit offers significant potential for economic empowerment, users must also be aware of its limitations and possible challenges.

Overall, the perceptions captured in this study support the view that microcredit programmes can be an important resource for women in agriculture seeking to improve their livelihoods and achieve financial independence, as emphasized by Tsegay *et al.* (2019) and Adisa *et al.* (2020).



Table 3: Women Perception towards Microcredit Facilities

| Perception statement | SA | A | U | D | SD | Total | Mean | Remark |
|---|-----|-----|-----|-----|----|-------|------|---------------------------|
| Microcredit is available and accessible all year round to decline the disgrace from family help. | 189 | 111 | 0 | 0 | 0 | 1389 | 4.63 | perceived strongly agreed |
| Microcredit is perceived as the source of livelihood and empowerment. | 188 | 112 | 0 | 0 | 0 | 1388 | 4.63 | perceived strongly agreed |
| The ease of accessibility to microcredit is high compare to commercial banks. | 178 | 122 | 0 | 0 | 0 | 1378 | 4.59 | perceived strongly agreed |
| Microcredit is perceived as having a high/low interest compare to commercial banks credit. | 124 | 120 | 56 | 0 | 0 | 1268 | 4.23 | perceived agreed |
| There is opportunity of accessing credit from multiple microcredit facilities to meet immediate needs. | 139 | 123 | 0 | 38 | 0 | 1263 | 4.21 | perceived agreed |
| Microcredit is a source of financial relieve during distress. | 170 | 67 | 0 | 63 | 0 | 1244 | 4.15 | perceived agreed |
| Microcredit aids the procurement of assets with payment done installmentally. | 130 | 124 | 0 | 46 | 0 | 1238 | 4.13 | perceived agreed |
| Group lending is the best for covering their repayment default. | 171 | 0 | 76 | 53 | 0 | 1189 | 3.96 | perceived agreed |
| There is fear of embarrassment and unfair treatment by some facilities. | 69 | 185 | 0 | 46 | 0 | 1177 | 3.92 | perceived agreed |
| There is no bottleneck in accessing credit through microcredit compare to commercial banks. | 60 | 125 | 64 | 51 | 0 | 1094 | 3.65 | perceived undecided |
| Microcredit helps to take care of the spouse responsibility at home and is used as means to cover-up their level of wealth. | 56 | 64 | 62 | 118 | 0 | 958 | 3.19 | perceived disagree |
| Microcredit is perceived as a credit that would reduce the livelihood status during repayment (food consumption). | 0 | 75 | 0 | 225 | 0 | 750 | 2.5 | perceived disagree |
| Microcredit is money owned by government and the repayment should be at will. | 0 | 0 | 172 | 84 | 44 | 728 | 2.43 | perceived disagree |

Source: Survey 2026

CONCLUSION AND RECOMMENDATION

The study concludes that women in the study area strongly perceived microcredit as readily available and accessible throughout the year. They viewed microcredit as a key source of livelihood, empowerment, and a more accessible alternative to commercial bank loans, particularly in helping them avoid the shame associated with seeking financial help from family members.

Based on the study's findings, the following recommendations are made:

the financial institutions should ensure that loans are easily accessible to rural women. This includes expanding service points or establishing branches closer to rural communities.

The institutions should simplify application processes through streamlining and reducing bureaucratic barriers and simplifying documentation requirements to encourage more women to access microcredit.

Sensitization programs should be introduced to educate women on how to effectively utilize microcredit for productive Activities. Strengthen Outreach to Non-Cooperative Members: Since most women are not cooperative members, microcredit providers should design outreach strategies specifically targeting non-group borrowers.



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