

Microfinance Institutions and Financial Sector Growth in Nigeria (1992-2018)

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Research

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Abstract

The extent to which microfinance bank institutions have contributed to the financial sector growth has not been well unraveled in the extant literature in Nigeria, hence, this study examined the effects of microfinance banks on financial sector growth in Nigeria. It further investigated the dynamic form of relationship between microfinance banks and financial sector growth in Nigeria covering a temporal scope 1992 to 2018. The model specification was formulated using financial sector GDP as the proxy for dependent variable, microfinance credit, deposits, assets and investment were used as proxies for microfinance banks institutions. Secondary data were sourced from CBN statistical Bulletin and analyzed using auto regressive distributed lag bound test and its corresponding short and long run coefficients. Finding revealed an inconclusive long run relationship between microfinance bank institutions and financial sector growth. Checking the individual variable coefficients in the short run, microfinance credit has significant positive effect while microfinance assets has insignificant effects on financial sector growth. In the long run, it was revealed that microfinance bank deposits and assets exert insignificant positive effects while microfinance credits have insignificant effect and investments have significant negative effects on financial sector growth. The study concluded that, in the long run, microfinance bank institutions exert positive and insignificant effects on financial sector growth in Nigeria. It was therefore recommended that, for microfinance bank institutions to impact significantly on financial sector growth in Nigeria, its credit should be increased and be more directed to the target individuals and the level of their investments should be geared up so as to engender growth of the financial sector in Nigeria. Furthermore, microfinance bank institutions should maintain its status quo on deposits and assets, however, improvement on them should be encouraged so as to enhance the growth of the financial sector in Nigeria

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INTRODUCTION

There have been a series of empirical studies on the importance of microfinance bank institutions both in developing and developed countries. It has also been confirmed that, microfinance banks perform special functions by providing financial services to the less income individual or poor in the rural and urban areas who were not served by traditional financial institutions or who lack access to banking services from the commercial banks, as a result, banking services are made available to them to improve their businesses and standard of living (Luyirika, 2010; Ashamu, 2014; Adama, Duru & Duyoke, 2017; Cull & Morduch, 2017) Not only that, they also help through their services reduce poverty, create jobs, enhance their standard of living, wealth creation and at the end improve the economic development of a nation. Although, there are some studies that found that microfinance bank institutions have not contributed to the socio-economic development in Nigeria, some of which are (Opue, Anagbogu & Udousoro, 2011)

Moreso, microfinance banks since its establishment by Central Bank of Nigeria (CBN) have been contributing greatly towards economic growth, most especially, through their savings which boost the savings capacity of the country and at the same time, through their credits which serve as one of the factors of production that can boost productivity within an economy. Hence, many studies have affirmed this through their empirical investigations that microfinance banks contribute positively to economic growth. Among of the studies that supported this assertion are; Nargiza (2010) Oluyombo, (2011), Ademola and Arogundade (2014), Wachukwu, Onyema and Amadi, (2018). Likewise, there are studies from the negative view that, there is need for the microfinance banks to increase their intermediation and be focused on the target informal sector of the economy so that their impact can be well felt. As such, this group of studies were of the view that, the impact of microfinance banks institutions negatively affected economic growth (Babajide, 2012)

Likewise, microfinance banks have been acknowledged as banks that provide funds to the micro, small and medium scale enterprises, hence, many studies also have focused their empirical investigations on the relationship and the extent of the impact of microfinance banks on the growth of the small and medium scale enterprises. Findings have been favorable towards this.

Some of the studies that supported the positive view are; Babagana, (2010), Olowe, Moradeyo and Babalola, (2013), Aliyu, (2013) while some that negate it are Babajide (2012)

In recent times, the focus has been on the contribution of microfinance banks towards financial sector growth. However, much studies have not been done to unravel this but the few studies on this subject matter are mostly from other emerging economies such as Kenya, Czech Republic and cross country analysis, yet very few studies have been found and the findings have been mixed.. Although, Ene and Udome (2013) examined impact of microfinance in promoting financial inclusion in Nigeria between 1990 and 2014, findings showed that, microfinance minimum deposit amount has significant effect on savings account opened by rural dwellers whereas microfinance interest rate was however found to have a negative and insignificant relationship with the rural dwellers loans and advances. Hence, more in this area needs to be done so as to know if microfinance banks in Nigeria have been contributing significantly to the growth of the financial sector in Nigeria. This has actually created a gap to be filled mostly from Nigeria.

LITERATURE REVIEW

Conceptual Review

Microfinance banks are specialized institutions established by Central Bank of Nigeria to serve by providing financial services for the unserved or underserved markets, that is, economically active people mostly found in the rural areas and urban poor who have no access to conventional banking services for one reason or the other (Apere, 2016). It can also be described as bank institutions that engage in relatively small financial transactions using various methodologies to serve low income households, micro enterprises, small scale farmers, and others who lack access to traditional banking service (CBS, 1999 as cited by Apalia (2017).

Furthermore, it can be defined as the business of receiving money by way of deposits and interest on deposits which is lent out to others or used to finance business activities or providing loans and other facilities to micro or small enterprises and low income households; deposit taking and non-deposit taking (MFI, Act, 2006). Arising from the above definitions given,

microfinance banks can be explained to be an institutions that help in bridging gap between the rich and the poor by providing financial services needed for economic development to the economically active individual who are poor and could not have access to necessary funds which could empower them but who through their activities contribute to the economic development

Mostly, this bank was initiated by the Central Bank of Nigeria with the objective of serving the poor and also to bring financial services closely to the door steps of the rural communities. In line with the Wachukwu Onyema and Amadi (2018), establishment of microfinance banks was justified by Central Bank of Nigeria due to the fact that, the existing community banks lack the institutional capacity and capital base to serve the numbers of unserved people and the need to improve the savings opportunity and banking habit among the people in the rural areas. With the establishment of the banks, many advantages and opportunities have been derived by the economy through their activities some of which are, eradication of poverty and expanding opportunity for job creation. More importantly, it has also helped to improve household standard of living by extending micro and macro credits to artisans in this locality thereby improving, the economic development

Microfinance bank institutions are specialized banks with provision of microfinance services. By microfinance services, it means supplying of bank services which are not limited to bank credit but other services that can enhance or bring along important social benefits for the clients (Claessens and Feijen, 2006 as cited by Apalia, 2016). It can also be defined as the banking services that encompasses the provision of financial services though on a small scale such as deposits, loans, payment services, insurance, money transfer etc to the poor and low-income earners or household and their businesses. United Nations (2006) as cited by Babagana(2010) described microfinance as the activity of provision of financial services to clients who are excluded from the traditional financial system on the account of their lower economic status. This actually explains that microfinance is not limited to bank credits from the microfinance institutions but also includes varieties of services that can boost the operation and business of the targeted sector which is the informal sector of the economy.

Therefore, the operation and services of microfinance institutions is expected to contribute to the growth of the financial institutions or financial sector in the economy. The financial sector can be explained to be the group of financial institutions that are legalized to perform intermediation functions and also by providing financial services to their customers. It was also described by Otto, Ekine and Ukpere (2012) as the group of related institutions, market instruments and operations that interact within an economy. Financial sector comprises banks and the financial market. Banks' financial sector according to Otto et al. (2012) are deposit money banks which comprises commercial banks, microfinance banks, primary mortgage institutions and merchants' banks while financial markets comprises money and capital market. All these make up the financial sector of an economy and their main functions are to make financial services available to the people in the economy.

It is important to know that deposit money banks and financial markets tend to achieve the broad objective of financial sector growth, however, their functions differ. The commercial banks mobilize funds and channel it to the private sector for productive purposes, while the microfinance functions by targeting the less income and poor people in the economy either in the rural or urban areas. Likewise, the primary mortgage institutions source funds and channel it to the mortgage market where people can raise funds to build their houses. At the same time, the merchants and finance companies source funds and invest in high income assets and they act as intermediaries between the public and financial market while the financial market provides a platform for public limited companies to raise short, medium and long term funds through mobilization of funds from the surplus and channel it to the deficits sector, hence all contributing toward the growth of the financial sector

Therefore, microfinance institutions, through their activities such as funds mobilization and channeling the funds to the less privileged individual in the rural communities, are in one way or the other contributing towards the growth of the financial sector.

Theoretical framework

This study is anchored on the finance-led growth theory as postulated by King and Levine (1973). The theory explained that finance is a necessary tool for the economy to experience

growth. That is, financial development is a veritable tool for economic growth. Although, there are many able scholars who are of the opinion that, finance only responds to changes in the real sector, which means finance did not cause growth but growth causes finance (Robinson 1952; Meier & Seers (1984; Lucas 1988). However, Bagehot (1873), Schumpeter (1912), Gurley and Shaw (1955), Goldsmith (1969), and McKinnon (1973) reject the idea that the finance growth nexus can be safely ignored without substantially limiting our understanding of economic growth. Since economic growth is explained to be an increase in the production of goods and services through factors of production which are capital, labour and technology, a unit increase in these factors would bring about an increase in the output which evidences the total aggregate production of goods in an economy. Therefore, one of the drivers of output is capital which can be explained under finance. Microfinance banks provide funds to the target populace and at the same time perform the function of intermediation by mobilizing funds from surplus to deficit sector. This function enhances financial development which influences savings and investment decisions and hence economic growth. It is expected that financial institution growth as a subset of economic growth would be engendered by the activities of microfinance banks.

Empirical Review

Vanroose and D'espaller (2009) analyzed the relationship between microfinance institutions and the development of the formal financial sector of the country. Variables in the model include microfinance performance proxied by outreach(number of borrowers and total loan portfolio) and profitability measures(ROA and ROE), financial sector development is measured by ratio of private sector credit to GDP and number of access to ATM) while, macroeconomic variables used are industrial valued added. Population density, rural population, foreigndirect investment, aid per capita, GNI and inflation. Cross country data from 1073 are sourced from MIX market. It was found that microfinance reaches more clients and is more profitable where access to the formal financial system is low. It was further found that the macro-economic environment is crucial to fully understand MFI-performance and that outreach and accordingly impact of MFIs are contingent on financial sector development.

Maksudova (2010) examined the contribution of microfinance to financial sector development and growth between 1995 and 2008 in Czech Republic. Model was specified using the growth rate of GDP, growth rate of financial development, and growth rate of the microfinance sector. Cross country data representing 103 countries were sourced from Microfinance Information exchange. Using the general method of moments as the estimation technique, it was found that microfinance Granger-cause economic growth and it is positive in less developed countries through lagged values. However, it was also found that, with further economic development this contribution has risk to be negative as middle income countries already face it through current values

Ene and Inemesit (2013) empirically analyzed the impact of microfinance in promoting financial inclusion in Nigeria between 1990 and 2014. Loan and advances, saving accounts, interest rate minimum deposit amount were the variables used. Using the OLS regression method as the estimation technique, it was found that minimum deposit amount has a positive and significant relationship with saving. It was observed that access to microfinance minimum deposit amounts has a significant effect on savings accounts opened by rural dwellers. Microfinance interest rate was however found to have a negative and insignificant relationship with the rural dwellers loans and advances

Cherotich (2013) investigated the role of microfinance institutions in financial deepening in Kenya using survey research design. Primary data were sourced from 59 microfinance bank institutions through questionnaires administered and analyzed using descriptive statistics and regression analysis. It was found that, MFIs promote financial deepening in Kenya specially because they have contributed to steady increase in the number of depositors; this shows that more people have access to financial services. The study findings further established that gross loan portfolio, number of active borrowers and the returns on assets directly affects financial deepening. This implies that financial growth and outreach of the sector positively impacted on financial deepening

Ademola and Arogundade (2014) researched on the impact of microfinance on economic growth in Nigeria. Specification was done using gross domestic product as the dependent variable and

asset of microfinance banks, deposit liability and loan advances of microfinance banks were used as the independent variable. The study employed secondary data and applied the ordinary least square of multiple regressions. The results revealed that Asset base and deposit liability has an insignificant impact on economic growth while Loan and Advances to the public has a significant impact on economic growth in Nigeria. However, in overall microfinance banks significantly impacted economic growth in Nigeria

Kendo and Eboue (2016) analyzed growth of microfinance by examining how some driven forces heighten more or less their financial integration. In the study, three main driven forces were identified such as agency costs, financial development and trade-off in microfinance. Samples of 542 microfinance institutions were taken and analyzed using quantile regression. The results revealed that high financial development can easily improve financial integration of microfinance, by expanding the rate of external investors. It was also found that high financial integration can also reach where financial development is low. Then, there is an inverse link between agency costs and financial integration of MFIs. At last outreach performs better than financial performance in improving their financial integration.

Isabel, Begona, Carlos and Siego (2018) evaluated the moderating effect of economic growth on the relationship between the development of the financial system and the microfinance industry activity. Microfinance credit growth was used as the dependent variable. Economic growth, financial development, size, risk, remittances, concentration of microfinance, and age were used as the independent variables. Using the Generalized method of moments as the estimation technique, it was found that the degree of economic growth affects the relationship between the financial sector development and microfinance activity. Under negative economic growth conditions, the development of the financial sector has a negative impact on the activity of the microfinance sector, but when economic growth is high, the development of the financial sector positively influences the activity of the microfinance sector.

Wachukwu, Onyemaand and Amadi (2018) critically examined the impact of microfinance banks on economic growth of Nigeria over a temporal period 1992 to 2016. Model was specified using gross domestic products as dependent variables while microfinance bank credit, deposit

liability, investment and assets were used as independent variables. Data sourced from CBN Statistical Bulletin was analyzed using Cochran-Orcutt regression; it was found that microfinance bank credit growth and investment growth were significantly but negatively related to the real gross domestic product. The microfinance bank deposit growth and asset growth were positively and significantly related to real gross domestic product. From the granger causality test, it was found that there is a bidirectional causality between real gross domestic product and microfinance bank credit growth and real gross domestic product and microfinance bank asset growth.

METHODOLOGY

In analyzing the contribution of microfinance banks to the financial sector growth in Nigeria, the study sourced secondary data from CBN Statistical Bulletin of various editions covering a period from 2000 to 2018. The dependent variable was proxied by financial sector growth while microfinance credit, deposit, investment as the proxies for independent variable. The method of analysis employed for the study was auto regressive distributed lag bound test and its short and long run coefficients.

Model Specification

In line with Wachukwu, Onyema and Amadi (2018), the model specification for this study is stated as

$$GDP = f(MFCG, MFDG, MFAG, MFIG)$$

The above model stated that, economic growth is a function of microfinance bank credit, microfinance banks deposit growth, microfinance banks assets growth and microfinance banks investment growth. This study adopted the model with modification in dependent variables. Here, the dependent variable was proxied by financial sector growth while microfinance banks institutions would be represented by its credit, assets, deposit and investment. Hence, the new model for this study is stated in a functional form as

$$FSG = f(MFCR, MFD, MFA, MFI)$$

In an econometric form, the model is re stated as

$$FSG_t = \beta_0 + \beta_1 MFCR_t + \beta_2 MFD_t + \beta_3 MFA_t + \beta_4 MFI_t + U_t$$

Where, β_0 = Constant term, FSG=, MFCR= Microfinance bank deposit, MFD= microfinance bank Deposits, MFA= Microfinance bank assets, MFI= Microfinance Bank investment, β_1 β_4 are coefficients to be estimated, U= Error Term

ANALYSIS AND FINDINGS

Phillip Perron Unit Root

The results of the application of the Philip Perron unit root test for stationarity described the variables under study and this is presented in Table 1. It was found that all variables are non-stationary at level I (0), meaning they all have unit root at level. This was arrived at by checking the critical value against the test value @ 5% level of significance, it was found that the critical value is lesser than the test level which indicates that variables have unit root. The study went further to test at first difference for all variables and it showed that they all became stationary at first difference I(1). At this point, the critical value was found to be greater than the test at first difference. This means variables are free from unit root which means that variables were integrated of the same order. Hence, the null hypothesis which says, variables have unit root is rejected while the alternate hypothesis which says that variables have no unit root was accepted.

Table1: Summary of Phillip Perron Unit Root Test Results

Variable	Critical value/Prob	@first difference	@2 nd difference	integration
LFSG	Test Prob	-0.6640 0.8389	-5.0914 0.0004	I(1)
LMFC	Test Prob	-2.2107 0.2074	-10.5986 0.0000	I(1)
LMFA	Test Prob	-1.8227 0.3617	-8.3683 0.0000	I(1)
LMFD	Test Prob	-0.6765 0.8352	-7.7763 0.0000	I(1)
LMFI	Test Prob	-1.7479 0.3966	-7.7406 0.0000	I(1)

Source: Authors' Computation Using Eviews, 9

ARDL Bound test

The study tested if there is a long run relationship between microfinance institutions and financial institution growth in Nigeria and this was done by using auto regressive distributed lag bound test. The result is presented in Table 2.

Table 2: Summary of Auto Regressive Distributed Lag Bound Test

Test Statistic	Value	k
F-statistic	3.684037	4
Critical Value Bounds		
Significance	I0 Bound	I1 Bound
10%	2.45	3.52
5%	2.86	4.01
2.50%	3.25	4.49
1%	3.74	5.06

Source: Authors' Computation Using Eviews, 9

It was found that, at 5% level of significance, the F-statistics of 3.68 was greater than lower bound of 2.86 but lesser than the upper bound of 4.01. in this situation, when f-statistics lies in between the upper and lower bound, the long run relationship cannot be ascertained, therefore, the study found that, long run relationship between microfinance institutions and financial institutions growth was inconclusive

Auto Regressive Distributed Lag Estimate

The estimation of the effect of microfinance bank institutions on the financial institution growth in Nigeria was done using Auto regressive distributed lag. The result of the estimation is presented in Table 3. It was found that, at lag 2, the coefficient of microfinance bank credit of -0.9832 and microfinance investment of -0.1361 have negative effect on financial institution growth while microfinance deposit of 1.2609 and microfinance assets of 0.7057 have positive effect on financial institution growth. Checking their significant level, it was found that, microfinance credit, microfinance deposit, and microfinance investment significantly impacted on the financial institution growth while only microfinance assets impacted insignificantly on financial institutions growth. The implication of this is that a unit increase in microfinance deposit and assets would bring about an increase in growth of financial institutions while a reduction would be brought by a unit increase in microfinance credits and investments.

Table 2: Summary of Auto Regressive Distributed Lag**Dependent Variable: LFSG**

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
DLFSG(-1)	0.098734	0.131845	0.748866	0.4673
DLFSG(-2)	-0.261094	0.175391	-1.48864	0.1604
DLMFC	-0.454773	0.274607	-1.65609	0.1216
DLMFC(-1)	0.176448	0.219571	0.803601	0.4361
DLMFC(-2)	-0.983263	0.371551	-2.64637	0.0202
DLMFD	-0.365949	0.188687	-1.93945	0.0745
DLMFD(-1)	0.015351	0.256603	0.059823	0.9532
DLMFD(-2)	1.260922	0.415575	3.034166	0.0096
DLMFA	0.705754	0.398079	1.772898	0.0997
DLMFI	-0.136133	0.048614	-2.80027	0.015
C	0.222011	0.070892	3.131666	0.0079
R2=0.5772	Adj-R2=0.4521	F-stat=1.77	Prob=0.164	D.W=1.93

Source: Author's computation using EViews, 9

On the coefficient of determination (R^2), it was found that the explanatory variables explained variation in the dependent variable to the tune of 57.72% which shows that, microfinance bank institution is an integral part of the banking system in Nigeria contributing towards the growth of Nigeria's financial institutions. The remaining value of 42.28% was accounted for by other factors not included in the model. The Adjusted R^2 of 45.21% explains the variation in the dependent variable based on the numbers of included variables in the model. Checking the overall significance of the model, it was found that the F-stat of 1.77 and its corresponding p-value were statistically insignificant. This explains that, the variables included have insignificant effect on the dependent variable. The value Durbin-Watson (D.W) statistic of 1.93 which is approximately 2 suggesting that the residual of the model is not serially correlated. The most appropriate model was achieved at 2 lags. Therefore, from the foregoing, this study makes a submission that microfinance bank institutions have statistically insignificant and positive impact on financial institution growth in Nigeria.

Long and Short Run Relationship

Furthermore, dynamic relationship between microfinance bank institutions and financial institution growth is presented in Table 3. Findings showed that the speed of adjustment, that is $Ecm(-1)$ of -1.162 was rightly signed and highly significant at 5% level of significance. This implies that the discrepancies in the short run are corrected instantly and incorporated into the long run at 116% annually. However, the short run coefficients revealed that, at lag 2, microfinance bank credits and assets have positive relationship with financial institution growth while microfinance deposit and investment have negative relationship with financial institution growth. Checking their significant level, findings showed that microfinance credit, deposit and investment have significant relationship with financial institutions growth in the short run.

Table 4: Summary of Dynamic Form/ Long and Short Run Relationship

Cointegrating Form				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(DLFSG(-1))	0.261094	0.175391	1.488642	0.1604
D(DLMFC)	-0.454773	0.274607	-1.65609	0.1216
D(DLMFC(-1))	0.983263	0.371551	2.646372	0.0202
D(DLMFD)	-0.365949	0.188687	-1.93945	0.0745
D(DLMFD(-1))	-1.260922	0.415575	-3.03417	0.0096
D(DLMFA)	0.705754	0.398079	1.772898	0.0997
D(DLMFI)	-0.136133	0.048614	-2.80027	0.015
CointEq(-1)	-1.16236	0.149441	-7.77805	0

$$\text{Cointeq} = \text{DLFSG} - (-1.0854 \cdot \text{DLMFC} + 0.7832 \cdot \text{DLMFD} + 0.6072 \cdot \text{DLMFA} - 0.1171 \cdot \text{DLMFI} + 0.1910)$$

Long Run Coefficients				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
DLMFC	-1.085369	0.524261	-2.07028	0.0589
DLMFD	0.783168	0.451589	1.73425	0.1065
DLMFA	0.607173	0.353833	1.715988	0.1099
DLMFI	-0.117118	0.042882	-2.73116	0.0171
C	0.191	0.050903	3.752215	0.0024

Source: Authors' Computation Using EViews, 9

In the long run. Findings showed that microfinance deposit and assets have positive relationship while that of microfinance credit and investment have negative relationship on financial

institutions growth. The implication of this is that, in the short and long run, microfinance assets have positive relationships while microfinance investments have negative relationships in the short and long run. However, microfinance deposit and credit have different relationships with financial institution growth in Nigeria with only microfinance investment having significant relationships.

Discussion of findings

In this study, empirical investigation on the effects of microfinance banks on financial institution growth was examined by employing secondary data from CBN statistical bulletin within a temporal scope 1992 to 2018. Data sourced were estimated using auto regressive distributed lag. Findings revealed that microfinance banks have insignificant positive effects on financial institution growth. Although, the individual coefficients of the variables exerted heterogeneous effects on the dependent variable. It showed that microfinance bank assets have both short and long run positive effects on financial sector growth while microfinance credit have negative relationships in the short and long run.

The speed of adjustment was found to be instantly as the coefficients and p-value were in line with the expectation. From the theoretical expectation of this study, microfinance banks have positive effects but this positive effect was found to be insignificant. Furthermore, it was also found that microfinance bank assets and deposits have positive effects and insignificant relationship with financial sector growth in Nigeria. This implies that, increase in microfinance assets and deposits would bring about an increase in the growth of the financial sector as these would help in explaining how strong the financial institutions are and their ability to intermediate handsome volumes of deposit necessary for lending. Although, microfinance credit and investment are at variance with theoretical expectation as credit are not well channeled to the right set of people or are mismanaged by the borrower and investment is very low to spur growth in the financial sector in Nigeria.

The findings of this study were in support of Ene and Inemesit(2013) who found that microfinance bank deposit has a significant effect on savings although this study was focused at the effect of microfinance banks on financial sector growth. It was also in support of Wachukwu,

Onyema and Amadi (2018) who found that deposit and assets of microfinance banks have positive impacts on economic growth while credit and investment negatively impacted economic growth. The only difference here is that the study focused on the aggregate economy while this study focused on the growth of the financial sector. Ademola and Arogundade (2014) also found that deposits have insignificant effects on economic growth while microfinance loans and advances have significant effects on economic growth. This result is at variance with the findings of this study although the study was focused on the aggregate economy while this study focused on the growth of the financial sector in Nigeria.

CONCLUSION AND RECOMMENDATIONS

Arising from the empirical findings of this study, it was concluded that microfinance banks have an insignificant positive effect on financial sector growth in Nigeria. Hence, hence it was recommended that, for microfinance banks to impact significantly on financial sector growth in Nigeria, its credit should be increased, be directed to the target individuals and be well monitored so that these credits are not diverted so as to enhance the growth of the financial sector in Nigeria. Also, the level of their investments should be geared up so as to engender growth in the financial sector in Nigeria. It was further recommended that, the bank should retain its status quo on deposits and assets; however, improvement on them would enhance the growth of the sector in Nigeria

DECLARATIONS

Ethics approval and consent to participate

Not applicable

Consent for publication

Not applicable

Availability of data and materials

The time-series data for this research were sourced from the Central Bank of Nigeria (CBN) statistical bulletin of various editions, covering 2000 to 2018.

Competing interests

The authors declare no competing interests.

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Authors' contributions

EA performed the review of articles, fashioned out the methodology and carried out the discussion of findings of this study. AT analysed and interpreted the results emanating from the study.

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