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FINANCIAL OPERATION OF LIFT ABOVE POVERTY ORGANIZATION AND ECONOMIC DEVELOPMENT OF SMALL BUSINESS OWNERS

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ABSTRACT

This study examined the influence of financial operation of Lift Above Poverty Organization (LAPO) on economic development of small business owners in Ijebu township of Ogun State, Nigeria. Five research questions and five hypotheses guided this study. Descriptive survey design was used. Using simple random sampling technique, a total of 500 staff and customers/clients of LAPO microfinance banks in Ijebu-Ode and Ijebu-North Local Governments of Ogun state were selected as sample size. This represents 10.46% of the population. Researcher-developed instrument; tagged: Lift Above Poverty Organization and Economic Development Questionnaire (LAPOEDQ) with 0.79 as reliability coefficient was used for data collection. The instrument was validated by experts in business education. Descriptive statistics of mean and standard deviation were used for answering research questions 1, 2, 4 and 5. Research question 3 was answered using regression analysis. All the hypotheses were tested using Chi-Square. The findings revealed that source of repayment must be guaranteed with mean range between 3.59 and 3.26. LAPO was found to be significant and strongly determine economic well-being of small business owners in Ijebu township in Ogun State ($B = .908$; $p < .05$). Short term loan, insufficient financial management training, absent of micro-insurance services, collateral collection/individual, inadequate use of group lending, far location of loan offices, poor entrepreneurs training, high interest rate charges and absence of new business startup loan were among the challenges facing small business owners in obtaining loan from LAPO. The government should among others assist LAPO microfinance bank financially so as to have enough funds to encourage disbursement to business owners in the society.

Keywords: Financial Operation, Lift above Poverty Organization, Economic Development, Small Business Owners, Ijebu Township.

Introduction

There has been growing concerns by government, private individuals and captain of industries about the poverty level of Nigerians. The huge amounts of money the government has been investing on this over the years seem not to have yielded any meaningful result, the economic wellbeing of people still low. The issue of economic wellbeing or development in Nigeria has also been a growing concern to both the government and the private sector. This relates to the process by which the economic well-being and quality of life of a nation, region or local community are improved. Fasua (2016) stated that economic development is a process that influences growth and restructuring of an economy to enhance the economic well-being of a community. The huge amounts of money the government has been investing on the process of attaining economic development over the years have not yielded meaningful result in Nigeria with the current level of poverty in the country. Poverty is a characteristic of average Nigerian households and there are many individuals who cannot afford the basic necessities of life such as food, clothing and shelter. The National Bureau of Statistics (2018) explained that 112.519 million Nigerians live in relative poverty conditions. It has been realized in recent years that there are limits to which government can singly promote economic development. Most of the traditional functions being carried out by the government in most countries ranging from the provision of economic development are becoming increasingly difficult to accomplish. Nigeria as a nation has her own peculiar developmental challenges because of mal-administration, corruption, infrastructural decay, insecurity of lives and properties, unstable macroeconomic policies and unpredictable fiscal policies by successive administrations (Fasua, 2016). Thus, both the public and the private sectors of the economy and every segment of the society need to be involved in the economic development process of the country.

Before the economic recession of 2015 in Nigeria, the Central Bank of Nigeria granted operating licenses to many commercial banks as well as Microfinance Banks. Central Bank of Nigeria Reports (2016) stated that the microfinance bank is empowered by law to fulfil the following policy objectives: to make financial services accessible to a large segment of the potentially productive Nigerian population which otherwise would have little or no access to financial services, to promote synergy and mainstreaming of the informal sub-sector into the national financial system, to enhance service delivery by microfinance institutions to micro, small and medium entrepreneurs, to contribute to rural transformation, and to promote linkage programmes between universal/development banks, specialized institutions and microfinance banks. Based on the objectives of the policy, the microfinance bank is targeted to cover the majority of the poor but economically active population thereby creating millions of jobs and reducing poverty, to increase the share of micro credit as percentage of total credit to the economy, promote the participation of at least two-thirds of State and Local Governments in micro credit financing, to eliminate gender disparity by improving women's access to financial services; and to increase the number of linkages among universal banks, development banks, specialized finance institutions and microfinance banks (Central Bank of Nigeria, 2016). To actualize these objectives the Central Bank of Nigeria gave licenses to microfinance bank operators.

Owenvbiugie and Igbinedion (2017) defined microfinance bank as a type of bank that offers small loans or microloans to individuals, entrepreneurs and small businesses. It further states that microfinance bank typically function to provide opportunities to low income regions where small amounts of money can go a long way. It also provides credit to those who are unable to access the type of capital needed to develop businesses or kick-start their entrepreneurial dreams. Owenvbiugie and Igbinedion (2017) quoting Central Bank of Nigeria further defined microfinance bank as the rendering of financial services to the economic active poor and low income group. They added that it also meant to cover both small loans to the poor, often, but not exclusively based on group liability, as well as small loans to micro, small and medium enterprises. They concluded that among the primary objectives of the microfinance policy was to make financial services accessible to a large segment of the potentially productive Nigerian population which otherwise would have little or no access to financial services, to promote synergy and mainstreaming of the informal sub-sector into the national financial system, enhance service delivery by microfinance institutions to micro, small, and medium enterprises and contribute to rural transformation.

Faniran (2017) reported that there are nine hundred and ninety one (991) microfinance banks in Nigeria. Out of this number, one of them is LAPO Microfinance Bank. LAPO microfinance bank is an off-shoot of the Lift-Above-Poverty-Organisation which was initiated in 1987 as a pro-poor development institution committed to the empowerment of low income Nigerians through the provision of responsive financial services delivered on sustainable basis. Faniran (2017) stated that LAPO is a Nigerian organization with microfinance bank dedicated to self-employment through microfinance that focused on the empowerment of the poor and vulnerable. In 2010, LAPO transformed its microfinance activities into a regulated microfinance bank, while the remaining activities continued under the LAPO Non-Governmental Organisation (NGO). LAPO is the largest microfinance bank in Nigeria with 900,000 clients and 323 branches (Alalade, Amusa & Adekunle, 2017). In 2010, it obtained the approval of the Central Bank of Nigeria to operate as a state microfinance bank under the Nigerian Microfinance Policy, Regulatory and Supervisory Guidelines of 2005 as amended in 2011. In 2012, it obtained the CBN approval to operate as National Microfinance Bank. As at 2013 it had operations in 27 of the 36 states in Nigeria and a client base of 1,038,340. As at 2018, the bank has over 386 branches in Nigeria with over 5800 employees in its pay roll.

LAPO is committed to improving lives of people through flexible loans, secured deposits, scholarship, legal aids services, affordable housing, and alternative energy products (LAPO MFB Handbook, 2017). These services are delivered through strong core values of integrity, innovativeness, simplicity, excellence and customer centeredness. The flexible loan granted is designed to meet the capital needs of the individuals and small and medium scale entrepreneurs who require more funds for expansion. On secured deposits, LAPO MFB operates a savings plan account for every individual who has projects to execute. It is designed for those to save funds towards their specific projects and for a specified period of time. The savings account will generate interest on their accounts while they plan their projects. On scholarship scheme, the primary focus is to support students at the secondary level of Nigeria educational system for children of the low-income households usually drop out of the educational system and more especially children of clients of LAPO. The scholarship is also designed for skills development support to support children of clients who desire to acquire skills. LAPO MFB supports an atmosphere of justice especially for women who are usually categorized as weaker vessels. This LAPO does by partnering with legal practitioners to ensure that the fundamental rights and dignity of the human person, freedom from discrimination, right to fair hearing and freedom to own and inherit property are not violated. On affordable housing, the loan product is designed to aid low income earners in becoming home owners through provision of funds for the construction or reconstruction of homes. This is facilitated by Lafarge organization. On alternative energy, LAPO is committed to providing cooking stove, sustainable 3kg cooking gas. This loan is available to clients and prospects of LAPO for consumption and retail (Alalade, Amusa & Adekunle, 2017).

Nwude and Anyalechi (2018) examined the impact of microfinance activities on rural economic growth and savings in Nigeria. Anyanwu, Ananwude and Nnoje (2018) ascertained the significant effectiveness of Nigeria's microfinance model of financial inclusion on women empowerment. Ekpete (2017) portrays the financial intermediation functions of microfinance banks in Nigeria. Murad and Idewele (2017) examined the impact of microfinance institution on economic growth of a country, thus using Nigeria as a case study. Apere (2016) investigated the impact of microfinance banks on economic growth in Nigeria. Olakojo and Olanipekun (2015) empirically examined the impact of microfinance bank on the Nigerian economy. Obadeyi (2015) examined the Microfinance Banking and Development of Small Business in emerging economy. Kann and Isu (2015) discussed the mode of operations of microfinance banks in Nigeria, the challenges that face microfinance and suggested solutions. Literature on influence of LAPO on economic development of small business owner have received less attention, even the few one that was carried out were based on commercial microfinance banks which called for further empirical investigation on it.

Statement of the Problem

Financing small scale and medium business (SMEs) is considered by many capital providers as a risky venture due to high transaction costs and low returns, and going concern of the businesses especially in the early stages. Despite this, finance remains a strategic resource for SMEs development because investments are needed for new ideas to become marketable products and services. The impression has been that lack of fund or inadequate funding is the major root cause of several SMEs unproductive activities and closure in Nigeria which is the reason why government made microfinance banks the major sources of capital provider for entrepreneurs. Observations have shown that inadequate supply of credit has been an important constraint on production of small scale business owners where majority of them lack access to financial services from formal institutions, either for credit or for savings. A serious problem however confronting many small scale business owners is the savings gap, which essentially means that they find it difficult to finance investments needed for growth from domestic saving. Past evidence revealed that microfinance loans enhanced consumption per capita in short run with an impressive coefficient; although these banks'loans do not have a significant impact on economic growth in the long run and loans extended by the microfinance banks to the business do not increase it will not generate a corresponding increase in the growth of Nigerian economy. What could be responsible for this is not immediately known? This is why the researcher attempted to examine the perceived influence of financial operation of lift above poverty organization (LAPO) on economic development of small business owners in Ijebu township of Ogun State, Nigeria.

Purpose of the Study

The main purpose of the study was to examine the influence of financial operation of Lift Above Poverty Organization (LAPO) on economic development of small business owners in ijebu township of Ogun State, Nigeria. Specifically, the study:

1. Determine the requirements for granting loan to small business owners by LAPO in Ijebu township of Ogun State.
2. Examined services and types of products offered by LAPO to small business owners in Ijebu township of Ogun State.
3. Investigate the extent to which LAPO influence the economic well-being of small business owners in Ijebu township of Ogun State.

4. Find out the challenges facing small business owners in obtaining loan from LAPO in Ijebu township of Ogun State.
5. Ascertain the challenges of LAPO as an organization face in the process of granting loan to small business owners in Ijebu township of Ogun State.

Research Questions

The following research questions were guide this study:

1. What are the requirements for granting loan to small business owners by LAPO in Ijebu township of Ogun State?
2. What are the types of services and products offered by LAPO to small business owners in Ijebu township of Ogun State?
3. To what extent LAPO can influence the economic well-being of small business owners in Ijebu township of Ogun State?
4. What are the challenges facing small business owners in obtaining loan from LAPO in Ijebu township of Ogun State?
5. What are the challenges LAPO as an organization face in the process of granting loan to small business owners in Ijebu township of Ogun State?

Hypotheses

H_{01}: There is no significant relationship in the mean ratings of LAPO staff and customers on the requirements for granting loan to small business owners by LAPO in Ijebu township of Ogun State.

H_{02}: There is no significant relationship in the mean ratings of LAPO staff and customers on the types of services and products offered by LAPO to small business owners in Ijebu township of Ogun State.

H_{03}: There is no significant relationship in the mean ratings of LAPO staff and customers on the extent LAPO influence the economic well-being of small business owners in Ijebu township of Ogun State.

H_{04}: There is no significant relationship in the mean ratings of LAPO staff and customers on the challenges facing small business owners in obtaining loan from LAPO in Ijebu township of Ogun State.

H_{05}: There is no significant relationship in the mean ratings of LAPO staff and customers on the challenges LAPO as an organization face in the process of granting loan to small business owners in Ijebu township of Ogun State.

Theoretical Framework

Vicious circle theory was the theoretical framework for this study and the theory was propounded by Eboh in 1995. The theory assumption was that low income leads to low savings, low savings are the reason for low investment, and low investment means low productivity leads to low income this effects development. Within this framework, it shows the circle of demand and supply as it relates to poverty. According to this theory, every country which embarks on the course of economic development necessarily encounters a set of constraints imposed by inelasticity on the supply of strategy inputs. Unless efforts are directed towards the loose reduction of these constraints by producing substitutes for these factors with inelastic supply, the whole process of economic development is bound to be greatly depressed.

Methodology

This study adopted descriptive survey design. The choice of the survey as the research design for the study was necessitated by the nature of the study, because, existing information was gathered without any form of manipulation. The population of the study comprised 4,782 staff and customers/clients of LAPO microfinance banks in Ijebu-Ode and Ijebu-North local governments of Ogun state (LAPO, Headquarter Office, Opposite Obalende Garage, Ijebu-Ode, Ogun State). There are 157 staff of LAPO microfinance banks from the above named local governments, of which 87 staff were from LAPO microfinance banks in Ijebu-Ode and 70 staff were from Ijebu-North local government. LAPO microfinance banks in Ijebu-Ode have a total of 2683 customers/clients while that of Ijebu-North local governments has 1942 (Source: LAPO Microfinance banks, Ijebu-Ode and Ijebu-North local governments).

Using simple random sampling technique, a total of 500 staff and customers/clients of LAPO microfinance banks in Ijebu-Ode and Ijebu-North local governments of Ogun state were selected as sample size. This represents 10.46% of the population. Meanwhile, 350 customers/clients and 150 staff of LAPO microfinance banks in the two named local governments were selected using stratified sampling technique. The following table explained how sample size was distributed.

	Local Government Area	
	Ijebu-Ode	Ijebu-North
LAPO Staff	75	75
LAPO Customers	175	175
Sub total	250	250
Total	500	

Source: Survey findings, 2022

The study used researcher-developed instruments; tagged: 'Lift Above Poverty Organization and Economic Development Questionnaire (LAPOEDQ)' The instrument (LAPOEDQ) was divided into two sections; namely sections A and B. Section A focused on demographic characteristics of the respondents, while section B examined items on the requirements for granting loan to small business owners by LAPO, services and types of products offered by LAPO to small business owners, extent to which LAPO can influence the economic well-being of small business owners, challenges facing small business owners in obtaining loan from LAPO and challenges of LAPO as an organization face in the process of granting loan to small business owners. The instrument was subjected to face and contents validity by the experts. To ensure the reliability of the instrument, a test-retest reliability of the instrument was carried out. The copies of the instrument were administered to a sample of 15 staff and customers/clients of LAPO microfinance banks outside study area. The purpose is to determine the stability and consistency of the instruments. Pearson Product Moment Correlation (PPMC) was used to determine the level of reliability coefficient. The reliability coefficient of the study instrument recorded 0.79. Descriptive statistics of mean and standard deviation were used for answering research questions 1, 2, 4 and 5. Research question 3 was answered using regression analysis. All the hypotheses were tested using Chi-Square. The analyses were carried out at .05 level of significance. Any mean score of 2.5 and above is regarded as agree while any one below 2.5 is regarded as disagree. If the f-calculated is less than the alpha significance of 0.05, the null hypothesis is accepted but if the f-calculated is greater than the alpha significance the null hypothesis is rejected. For the hypotheses, if the Chi-Square-calculated less than the alpha significance of .05 the null hypothesis is accepted but if the Chi-Square-calculated greater than the alpha significance the null hypothesis rejected.

Results and Discussion of Findings

Descriptive Analysis of the Research Questions

Research Question 1: What are the requirements for granting loan to small business owners by LAPO in Ijebu township of Ogun State?

Table 1: Mean and standard deviation responses on the requirements for granting loan to small business owners by LAPO in Ijebu township of Ogun State

Items	Mean	SD	Remarks
Source of repayment must be guarantee	3.59	.632	Agreed
Security for the amount.	3.41	.649	Agreed
Loan application letter	3.26	.670	Agreed
Duly completed loan application form.	3.34	.692	Agreed
Two guarantors	3.46	.624	Agreed
A valid means of ID (national ID, driver's license, voter's card or international passport).	3.48	.668	Agreed
Current utility bill	3.35	.681	Agreed
Four recent passport-size photographs	3.43	.676	Agreed

Source: Field Survey, 2022

Based on the cut-off point of 2.50 (strongly agree (SA) 4, agree (A) 3, disagree (D) 2 and strongly disagree (SD 1). 4 + 3 + 2 + 1/4 = 2.5. Any mean scores equal to 2.50 or greater than 2.50 was regarded as agreed and less than 2.50 was disagreed. Table 1 indicated that respondents agreed with the items raised as the requirements for granting loan to small business owners by LAPO. This implied that source of repayment must be guarantee, security for the amount, loan application letter, duly completed loan application form, two guarantors, a valid means of ID (national ID, driver's license, voter's card or international passport), current utility bill and Four recent passport-size photographs were among the requirements for granting loan to small business owners by LAPO in ijebu township of Ogun State.

Research Question 2: What are the types of services and products offered by LAPO to small business owners in ijebu township of Ogun State?

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Table 2: Mean and standard deviation responses on the types of services and products offered by LAPO to small business owners in ijebu township of Ogun State

Items	Mean	SD	Remarks
Provision of agricultural loan	3.59	.679	Agreed
Access of other business loan products to strengthen Business.	3.40	.713	Agreed
Provision of Social Impact Deposit to empower business	3.39	.697	Agreed
Giving of bigger loan to strengthen business.	3.43	.714	Agreed
Provision of weekly loan repayment frequent	3.39	.726	Agreed
Provision of expert financial advice	3.37	.774	Agreed
Business planning and customer relations	3.12	.690	Agreed
Provision of training on basic financial management	3.29	.842	Agreed
Supporting increased revenue for the poor of households.	3.23	.815	Agreed
Giving clients the opportunity to save funds that do not have immediate need.	3.31	.858	Agreed
Secure clients deposits on interest basis	3.28	.900	Agreed

Source: Field Survey, 2022

Based on the cut-off point of 2.50 (strongly agree (SA) 4, agree (A) 3, disagree (D) 2 and strongly disagree (SD 1). 4 + 3 + 2 + 1/4 = 2.5. Any mean scores equal to 2.50 or greater than 2.50 was regarded as agreed and less than 2.50 was disagreed. Table 2 revealed that provision of agricultural loan, access of other business loan products to strengthen business, provision of social impact deposit to empower business, giving of bigger loan to strengthen business, provision of weekly loan repayment frequent, provision of expert financial advice, business planning and customer relations, provision of training on basic financial management, supporting increased revenue for the poor of households, giving clients the opportunity to save funds that do not have immediate need and secure clients deposits on interest basis were among the types of services and products offered by LAPO to small business owners in Ijebu township of Ogun State.

Research Question 3: To what extent LAPO can influence the economic well-being of small business owners in Ijebu township of Ogun State?

Table 3: Extent LAPO can influence the economic well-being of small business owners in ijebu township of Ogun State

Model	Unstandardized Coefficients		Standardized Coefficients	T	P
	B	Std. Error	Beta		
(Constant)	-4.756	.971		-4.899	.000
LAPO	1.522	.045	.908	34.025	.000

a. Dependent Variable: Economic well-being

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Table 3 showed that the sign of the coefficient of LAPO is positive which implied that an increase or improvement in it will increase economic well-being of small business owners in Ijebu Township. The independent variable LAPO was found to be significant and strongly determine economic well-beingof small business owners in Ijebu township in Ogun State with the P-value less than 0.05and magnitude of Lapo efficiency ($\beta = 1.522$, $t = 34.025$, $P<.05$). This further implied that about .908 increases in economic well-being of small business owners in ijebu township of Ogun State was accounted for by LAPO.

Research Question 4: What are the challenges facing small business owners in obtaining loan from LAPO in Ijebu township of Ogun State?

Table 4: Mean and standard deviation responses on the challenges facing small business owners in obtaining loan from LAPO in ijebu township of Ogun State

Items	Mean	SD	Remarks
Short term loan	3.46	.634	Agreed
Insufficient financial management training	3.48	.643	Agreed
Absent of micro-insurance services	3.54	.688	Agreed
Collateral collection individual	3.50	.688	Agreed
Inadequate use of group lending	3.47	.631	Agreed
Far location of loan offices	3.46	.634	Agreed
Poor entrepreneurs training	3.53	.571	Agreed
High interest rate charges	3.49	.589	Agreed
Absent new business startup loan	3.53`	.605	Agreed

Source: Field Survey, 2022

Based on the cut-off point of 2.50 (strongly agree (SA) 4, agree (A) 3, disagree (D) 2 and strongly disagree (SD 1). 4 + 3 + 2 + 1/4 = 2.5. Any mean scores equal to 2.50 or greater than 2.50 was regarded as agreed and less than 2.50 was disagreed. Table 4 revealed short term loan, insufficient financial management training, absent of micro-insurance services, collateral collection/individual, inadequate use of group lending, far location of loan offices, poor entrepreneurs training, high interest rate charges and absent new business startup loan were among the challenges facing small business owners in obtaining loan from LAPO in Ijebu township of Ogun State.

Research Question 5: What are the challenges LAPO as an organization face in the process of granting loan to small business owners in Ijebu township of Ogun State?

Table 5: Mean and standard deviation responses on the challenges LAPO as an organization face in the process of granting loan to small business owners in Ijebu township of Ogun State

Items	Mean	SD	Remarks
High rate of default	3.52	.512	Agreed
Inadequate of finance needed to expand financial Services to clients	3.54	.530	Agreed
High risk, heavy transaction cost and mounting Loan losses	3.53	.512	Agreed
Unfavourable/frequent changes in government Policies	3.57	.520	Agreed
Low capacity and low technical skills in Micro-financing	3.43	.594	Agreed

Source: Field Survey, 2022

Based on the cut-off point of 2.50 (strongly agree (SA) 4, agree (A) 3, disagree (D) 2 and strongly disagree (SD 1). 4 + 3 + 2 + 1/4 = 2.5. Any mean scores equal to 2.50 or greater than 2.50 was regarded as agreed and less than 2.50 was disagreed. Table 5 revealed high rate of default, Inadequate of finance needed to expand financial services to clients, high risk, heavy transaction cost and mounting loan losses, unfavourable/frequent changes in government policies and low capacity and low technical skills on micro financing were among the challenges LAPO as an organization face in the process of granting loan to small business owners in Ijebu township of Ogun State.

Test of Hypotheses

H_{01}: There is no significant relationship in the mean ratings of LAPO staff and customers on the requirements for granting loan to small business owners by LAPO in Ijebu township of Ogun State.

Table 6: Chi-square results showing the relationship in the mean ratings of LAPO staff and customers on the requirements for granting loan to small business owners by LAPO in Ijebu township of Ogun State

	High requirements Requirements	Low requirements	df	X^2	P	Remarks
Staff	52	26	1	8.07	0.031	Reject H_0
Customer	14	8				

Source: Field Survey, 2022

From Table 6, the results show that $x^2 = 8.07$, df =1 and p = 0.031. Since p = 0.037< 0.05, it implied that null hypothesis was rejected. The researcher therefore concluded that significant there was significant relationship in the mean ratings of LAPO staff and customers on the requirements for granting loan to small business owners by LAPO in Ijebu township of Ogun State.

H_{02}: There is no significant relationship in the mean ratings of LAPO staff and customers on the types of services and products offered by LAPO to small business owners in Ijebu township of Ogun State.

Table 7: Chi-square showing results on the relationship in the mean ratings of LAPO staff and customers on the types of services and products offered by LAPO to small business owners in ijebu township of Ogun State

	High requirements Requirements	Low requirements	df	X^2	P	Remarks
Staff	9	141				
			1	0.216	0.642	Accept H_0
Customer	25	325				

Source: Field Survey, 2022

From Table 7, the results show that $x^2 = 0.216$, df =1 and p = 0.642. Since p= 0.642> 0.05, it implied that null hypothesis was accepted. The researchers therefore concluded that there was no significant relationship in the mean ratings of LAPO staff and customers on the types of services and products offered by LAPO to small business owners in Ijebu township of Ogun State.

H_{03}: There is no significant relationship in the mean ratings of LAPO staff and customers on the extent LAPO influence the economic well-being of small business owners in Ijebu township of Ogun State.

Table 8: Chi-square results on the relationship in the mean ratings of LAPO staff and customers on the extent LAPO influence the economic well-being of small business owners in Ijebu township of Ogun State

	High requirements Requirements	Low requirements	df	X^2	P	Remarks
Staff	16	134				
			1	12.991	0.00	Reject H_0
Customer	10	340				

Source: Field Survey, 2022

From table 8, the results show that $x^2 = 12.991$, df =1 and p = 0.031. Since p= 0.037< 0.05, it implied that null hypothesis was rejected and the researcher concluded that there was significant relationship in the mean ratings of LAPO staff and customers on the extent LAPO influence the economic well-being of small business owners in Ijebu Township.

H_{04}: There is no significant relationship in the mean ratings of LAPO staff and customers on the challenges facing small business owners in obtaining loan from LAPO in Ijebu township of Ogun State.

Table 9: Chi-square results on the relationship in the mean ratings of LAPO staff and customers on the challenges facing small business owners in obtaining loan from LAPO in Ijebu township of Ogun State

	High requirements Requirements	Low requirements	df	X^2	P	Remarks
Staff	7	143				
			1	1.047	0.306	Accept H_0
Customer	10	340				

Source: Field Survey, 2022

From table 9, the results show that $x^2 = 1.047$, df =1 and p= 0.306. Since p= 0.306> 0.05, it implied that null hypothesis was accepted. The researcher therefore concluded that there was no significant relationship in the mean ratings of LAPO staff and customers on the challenges facing small business owners in obtaining loan from LAPO in Ijebu Township.

H_{05}: There is no significant relationship in the mean ratings of LAPO staff and customers on the challenges LAPO as an organization face in the process of granting loan to small business owners in Ijebu township of Ogun State.

Table 10: Chi-square results on the relationship in the mean ratings of LAPO staff and customers on the challenges LAPO as an organization face in the process of granting loan to small business owners in Ijebu township of Ogun State

	High requirements Requirements	Low requirements	df	X2	P	Remarks
Staff	0	150				
			1	1.047	0.306	Accept H_0
Customer	1	349				

Source: Field Survey, 2022

From table 10, the results show that $x^2 = 1.047$, df =1 and p= 0.306. Since p= 0.306> 0.05, it implied that null hypothesis was accepted. The researcher therefore concluded that there was no significant relationship in the mean ratings of LAPO staff and customers on the challenges LAPO as an organization face in the process of granting loan to small business owners in Ijebu Township.

Discussion of Findings

Based on the research questions, it was found out that source of repayment must be guarantee, security for the amount, loan application letter, duly completed loan application form, two guarantors, a valid means of ID (national ID, driver's license, voter's card or international passport), current utility bill and Four recent passport-size photographs were among the requirements for granting loan to small business owners by LAPO in ijebu township of Ogun State. These findings correlate with Kimathi (2015) who shows that small scale businesses have access and also have benefited in microfinance services from different MFIs. Nevertheless, there are many challenges confronting small scale businesses when accessing microfinance services.

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The provision of agricultural loan, access of other business loan products to strengthen business, provision of social impact deposit to empower business, giving of bigger loan to strengthen business, provision of weekly loan repayment frequent, provision of expert financial advice, business planning and customer relations, provision of training on basic financial management, supporting increased revenue for the poor of households, giving clients the opportunity to save funds that do not have immediate need and secure clients deposits on interest basis were among the types of services and products offered by LAPO to small business owners in ijebu township of Ogun State. These findings correlate with Kann and Isu (2015) who findings obtained indicate that Poor capital base, targeting the wrong customers, Lack of Microfinance culture, insider abuse, inadequate business opportunities available to microfinance banks and constant change in government policy contribute immensely to the poor performance of microfinance banks in the country.

LAPO was found to be significant and strongly determine economic well-beingof small business owners in Ijebu Township in Ogun State and that about .908 increases in economic well-being of small business owners in ijebu township of Ogun State was accounted for by LAPO. These findings correlate with Alalade, Amusa and Adekunle (2017) who discovered that all the LAPO clients agreed that LAPO MFB helped them to secure flexible loans to a very high extent.

It was also revealed that short term loan, insufficient financial management training, absent of micro-insurance services, collateral collection/individual, inadequate use of group lending, far location of loan offices, poor entrepreneurs training, high interest rate charges and absent new business startup loan were among the challenges facing small business owners in obtaining loan from LAPO in ijebu township of Ogun State. These findings correlate with Apere (2016) who indicate that microfinance bank loans and domestic investment significantly and positively affect the growth of Nigeria’s economy based on the magnitude and the level of significance of the coefficient and p-value and, there is a long-run relationship between microfinance bank loans, investment and economic growth in Nigeria.

High rate of default, Inadequate of finance needed to expand financial services to clients, high risk, heavy transaction cost and mounting loan losses, unfavourable/frequent changes in government policies and low capacity and low technical skills on micro financing were among the challenges LAPO as an organization face in the process of granting loan to small business owners in Ijebu township of Ogun State. These findings correlate with Kann and Isu (2015) who findings obtained indicate that Poor capital base, targeting the wrong customers, Lack of Microfinance culture, insider abuse, inadequate business opportunities available to microfinance banks and constant change in government policy contribute immensely to the poor performance of microfinance banks in the country.

There was significant relationship in the mean ratings of LAPO staff and customers on the requirements for granting loan to small business owners by LAPO in ijebu township of Ogun State. These findings correlate with Ekpete (2017) who showed a clear indication of a weak relationship between the ratio of loans and advances to GDP, ratio of total fund mobilized to GDP, as against the negative nexus between the ratio of total investments to GDP.

There was no significant relationship in the mean ratings of LAPO staff and customers on the types of services and products offered by LAPO to small business owners in Ijebu township of Ogun State. These findings correlate with Murad and Idewele (2017) who show that microfinance loans have a significant positive impact on the short run economic performance in Nigeria.

There was significant relationship in the mean ratings of LAPO staff and customers on the extent LAPO influence the economic well-being of small business owners in Ijebu Township. These findings correlate with Anyanwu, Ananwude and Nnoje (2018) who identified a positive and significant relationship between women empowerment and microfinance banks' products: rent savings, child education, new born and daily savings account.

There was no significant relationship in the mean ratings of LAPO staff and customers on the challenges facing small business owners in obtaining loan from LAPO in Ijebu Township. These findings correlate with Nwude and Anyalechi (2018) who show that the introduction of micro finance banking in Nigeria have not contributed to agricultural productivity but had assisted in increasing rural savings habits in Nigeria.

There was no significant relationship in the mean ratings of LAPO staff and customers on the challenges LAPO as an organization face in the process of granting loan to small business owners in Ijebu Township. These findings correlate with Khalaf and Amman (2019) who revealed that MFIs have no effect on improving economic growth in Arab countries.

Conclusion
The current situation of economic development of many Nigerians seems to be a little worry to government and other stakeholders in the economy. This among other reasons for the establishment of LAPO to cater for the financial needs of small and medium enterprises towards upbringing their economic development; however, this prompted this study to examine the perceived influence of financial operation of Lift Above Poverty Organization (LAPO) on economic development of small business owners and the following conclusions were drawn based on the findings of the study that LAPO seems to have improved economic development of small and medium scale enterprises in Ijebu Township, Ogun State.

Recommendations
The following recommendations are provided from the study:

i. It was recommended that the government should assist LAPO microfinance bank financially so as to have enough funds to encourage disburse to the poor in business in the society.
ii. Microfinance institutions should loan to improve consumption in the short run, while the long run goal should be to improve investment and other capital accumulation.
iii. Government should make conscious efforts to provide basic infrastructures in the rural areas to motivate micro finance institutions to locate their offices there.
iv. Micro finance institutions should be encouraged to lend to rural dwellers based on relationship lending and some farm productive resources should be diversified to reduce farming risk, especially risk related to unpredictable extreme weather that may be due to climate change to increase productivity.

v. There need to deepen the capacity building strides of NDIC by include both staff and directors of microfinance banks to help bridge the skills gap, the government should provide the infrastructure needed such as power and telecommunications to boost financial inclusion, because technology drives financial innovation, multilateral and bilateral funds be sourced to support the development of microfinance sector, the regulation of microfinance banks in Nigeria be strengthened.

vi. LAPO Microfinance banks (MFBs) should be front-liners of ethical and professional conduct by ensuring that soft loans are given to credible and promising entrepreneurs.

vii. LAPO Microfinance banks (MFBs) operations should be continuously be monitored by the regulatory agency (CBN) in order to adequately address the gap in terms of credit, savings and other financial services required by the micro entrepreneurs.

viii. LAPO Microfinance banks (MFBs) institution should set up more flexible, reasonable and attractive requirements in financing small scale businesses.

ix. Also, the government and other stakeholders should set a good financial structures and legal systems which will allow the financial institutions especially microfinance institutions to provide finance startups to newly establish businesses.

x. Government should facilitate microfinance branches close to the rural area, products and services accessible to a large segment of the potentially productive Nigerians population, who are currently not being served by the formal financial sector.

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