

The Role of Islamic Microfinance Institutions in Alleviating Poverty in Bauchi State, Nigeria

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Abstract

The main objectives of microfinance schemes to alleviate poverty and to enable the poor to empower themselves are in line with the Islamic economic principles of justice. However, the conventional microfinance schemes and operations based on interest (riba) are prohibited in Islam and thus, cannot be used by and for the Muslims. Hence, various Islamic financing schemes offered by Islamic Microfinance banks have the salient features and characteristics that can contribute towards a more ethical economic and financial development of the poor and micro entrepreneurs. The aim of this study is to examine the views of both the management and the clients of Tijarah Microfinance Bank; Bauchi, Nigeria on its role in alleviating poverty and to find out whether there is significance difference between the views of the two categories of respondents. The population of the study consists of all the clients and the management staff of Tijarah Microfinance Bank Limited, Bauchi. There are eleven (11) staff and 123 clients of the bank in all the 20 local governments of the state. The sample size of the study comprised of all the 11 staff and 80 clients of Tijarah Microfinance Bank, Bauchi. The sampling technique used in this study was the purposive sampling technique. The data for the study was collected through the use of structured questionnaire which was analyzed using descriptive statistics, chi-square and independent sample tests. The study reveals that both the clients and the staff of Tijarah Microfinance bank are of the opinion that Islamic microfinance bank has the potential of alleviating poverty in Bauchi State and that there is significant difference between the perceptions of the two categories of respondents on the potential of Islamic Microfinance bank in poverty alleviation. The study recommended that Islamic Microfinance banks should properly educate the clients about Islamic financing, its implementation according to Shariah and its proper use for productive proposes by developing a good information system using good visuals and professionally presented seminars, banners and arranging regular sessions with the business community.

Keywords

Islamic Microfinance, Shariah, Poverty, Bauchi, Nigeria

1. Introduction

Poverty is the greatest challenge the world faces in the 21st Century with approximately four billion people living in abject poverty. Unfortunately, five hundred million of these are accounted for by five predominantly Muslim countries of Indonesia, Bangladesh, Pakistan, Nigeria and Egypt. Poverty in Nigeria is a major issue and has therefore affected the growth of the economy. Poverty in Nigeria has led to greed, corruption, hunger, insecurity and so many sharp practices

which have great effect on the Economy (Yelwa & Emmanuel, 2013). In addition, despite its oil wealth and the fact that it is Africa's largest economy, many Nigerians are under the tight grip of poverty. Out of a population of around 180 million, about 110 million are said to be living in abject poverty (Al-ameen, 2016). More than half of the percentage of the population of Bauchi state are engaged in the informal sector or in agricultural production and are regarded as low income earners and consequently fall below the poverty line.

In absolute terms, poverty refers to insufficient or the total lack of basic necessities like food, housing and health care, it

also involves the inadequacy of learning and environmental services, consumer goods, recreational opportunities, neighborhood amenities and transport facilities (Onakoya & Onakoya, 2014). Moreover, Olatomide (2012) articulates experts' concept of poverty as human beings who are unable to meet their daily needs. The most important needs of human beings are food, shelter, medical care and if human beings are deprived of these needs then it calls for concern. Poverty eradication is a millennium development goal for many nations, including Nigeria. A number of governmental and non-governmental programs are put in place in Nigeria in the last three decades to eliminate poverty. Yet, there has been a very marginal gain in the poverty alleviation exercise (Muhammad & Hassan, 2008). Unfortunately, the nature and conditions of the schemes fail to meet the sensitivities of a substantial group who would otherwise have been eligible for the grants and loans. The practical implication is that such group would be twice excluded from the financial system. These potentially excluded groups are those poor Muslims who might desire funding but are unable to benefit from the government schemes because the loan conditions contradict their faith (Al-ameen, 2016).

Islamic microfinance is a new emerging niche area due to the prevailing bottlenecks in the theory and practice of conventional microfinance. The problems become more pronounced in Muslim countries and communities as the religion of Islam prohibits taking and giving interest on loan. Based on that, considerable number of Muslims expressed their concern and tries to avoid violation of the teachings of Islam in their business and economic undertakings; hence, the emergence of Islamic microfinance to tackle the challenges (Muhammad & Zakaullah, 2013). Again, with vast number of Muslims in the country whom reject the conventional micro-financing since it does not tailor with their faith by dealing with interest rate, then, the outreach would be very low, leaving the poor in poverty. This might cause failure in government project to combat poverty in the country through micro-financing. Thus, needless to say that Islamic micro-financing will serve as the best alternative and represents its potentials in the country (Muhammad & Hassan, 2008). Islamic approach to poverty alleviation is more comprehensive and more rigorous than either minimalist or maximalist approach. Although the maximalists have tried to incorporate non-financial aspects of supporting the poor to exit from poverty but fail to pass an ethical test of Shari'a compliance in business and financial activities for the Muslims poor (Muhammad & Zakaullah, 2013).

A number of studies have been carried out in Nigeria on the contributions of Islamic MFIs to poverty alleviation. For example, Dogarawa (2011), Onakoya and Onakoya (2014), Balogun, Bustamam and Johari (2014), Adepoju and Oyesanya (2014). Abdulrahim (2010) conducted his study about 7 years back and this time lag calls for investigation. Dogarawa (2011) focused on assessing the new guidelines on microfinance by CBN and its challenges; Balogun, Bustamam and Johari (2014) are on women entrepreneurs in

Sokoto State. Adepoju and Oyesanya (2014) are on Al-Hayat Relief Foundation in Ogun State. From the foregoing, none of the studies was conducted on Tijarah Microfinance Bank, Bauchi, Nigeria. It is against this bedrock that this study tries to examine the views of both the management and the clients of Tijarah Microfinance Bank, Bauchi, Nigeria on its role in alleviating poverty and to find out whether there is significance difference between the views of the two categories of respondents.

2. Literature Review

2.1. The Concept of Islamic Microfinance

Islamic micro financial institution is at the central of economic growth and development of most societies today because of its key roles in developing human resources. It also makes significant contributions towards poverty alleviation and bridging the gap between the rich and the poor. The debates were mostly centered on interest charge, saying that if the interest was removed, there would be nothing to balance out demand and supply in the economies (Dhauoi, 2015). Islamic microfinance represents the confluence of two rapidly growing industries: microfinance and Islamic finance. It has addresses the unmet microcredit demands and also satisfies the Islamic social principle of caring for the less fortunate with microfinance's power to provide financial access to the poor (Karim, Tarazi & Reille, 2008). Islamic microfinance in its framework could help improve the standard of living of low-income earners and the poor because it discourages exploitation and achieves an objective of social justice (Onakoya & Onakoya, 2014).

The concept of Islamic microfinance adheres to the principles of Islam and is a form of socially responsible investment. Investors who use their wealth for Islamic microfinance projects only involve themselves in halal projects which benefit the community at large. Such projects include zakat, which is charity based, or trade and industry projects to develop a country's economy. Islamic finance is based on principles that prohibit risk taking, interest earning, sinful activities, gambling, speculative trade and money lending to customers. It believes in trading based on real goods and services and a reward-sharing contract. It also focuses on providing an ethical financial system with a motive of wealth redistribution, which will have a long term effect on poverty alleviation. Islamic microfinance is basically a microfinance that employs Islamic financial principles in providing financial services to the poor. Islamic microfinance is the provision of financial services and products to those whose low economic standing excludes them from Shari'ah compliant financial institutions or programs. As an alternative to *riba*, the profit and loss sharing (PLS) arrangements are held as an ideal mode of financing in Islamic microfinance. It is expected that this profit and loss sharing will be able to significantly remove the inequitable distribution of income and wealth and is likely to control inflation to some extent. Furthermore, the

profit and loss sharing may lead to a more efficient and optimal allocation of resources as compared to the interest-based system. Since the depositors are likely to get higher returns leading to richness, it is hoped that progress towards self-reliance will be made through an improved rate of savings and thus will ensure justice between the parties involved as the return to the bank on finance is dependent on the operational results of the entrepreneur (Dogarawa, 2009).

2.2. Principles of Islamic Financing System

Islamic finance and banking products and instruments set out to achieve the same business goals as conventional financial products and instruments, but within the constraints of Islamic rulings (Millar, 2008). These Islamic rulings are codified in Islamic law, or Shari'ah. The literal meaning of Shari'ah is "way" or "path to the water source"; technically, it refers to the laws contained in or derived from the Qur'an and Sunnah of the Prophet Muhammad (PBUH) and embodies all aspects of Islamic faith including beliefs and practices. Islamic finance involves structuring financial instruments and financial transactions to satisfy Shari'ah prohibition of the payment of interest (riba) and against engaging in gambling; it is a field of growing importance. The Qur'an reveals in Chapter 3 Verse 130 "O ye who believe! Devour not usury, doubled and multiplied; but fear God that ye may (really) prosper". It further adds in Chapter 4, verse 161 that "they took usury, though they were forbidden; and that they devoured men's substance wrongfully; we have prepared for those among them who reject faith a grievous punishment". Charging interest was described as one of the worst sins, as reported in the Hadith (pronouncement) of Prophet Muhammad (PBUH) that describes "the seven most despicable sins". The Prophet (PBUH) also was reported to have said that dealing in interest is like committing murder.

Islamic finance is therefore based on the principles of the Shari'ah which provides for the general welfare of the society. It prohibits practices that are considered unfair or exploitative. The Shari'ah strictly prohibits giving or receiving of any fixed predetermined rate of return on financial transactions. There is consensus, on this prohibition, of majority of Muslim Scholars.

Some principles of Islamic finance according to Balogun et al. (2014) include the followings:

- i. Islam totally forbids making money from money.
- ii. Payment that are predetermine above actual amount of money lend out is considered interest and forbidding in Islam.
- iii. All Investments and products should be strictly Islamic compliant. e.g. No investment should be made in alcohol, gambling, construction of casino, lending money to other banks at interest.
- iv. In the Mudarabah contract, the capital provider must share in the profits or losses arising from business for which the money was invested.
- v. Uncertainty, speculation is also prohibited on any transaction engaged into.

Contracting parties should have full knowledge (expertise) of the counter values intended to be exchanged as a result of their transactions.

2.3. Development of Islamic Microfinance in Nigeria

Poverty alleviation efforts cannot be effective nor have the desired impact unless all or at least a majority of the poor can be reached. Hence, the lack of understanding of these reasons especially religious may make the governmental and non-governmental organizations' efforts at combating poverty to flounder. Islamic Microfinance services are currently not available in Nigeria. Over the past 40 years, concerted efforts have been made by several mainstream conventional financial institutions to provide window of Islamic financial products and services. Orisankoko (2010) as cited in Dogarawa (2011) documents that the first recorded effort to provide Islamic financial services was made by a bank called Muslim Bank West Africa Limited in Lagos around 1961. He however, observes that the effort suffered a setback as the bank was closed down in 1962 on the instruction of the then Minister of Finance, Chief Obafemi Awolowo.

In late 1980s, a number of conferences and seminars were organised by University based Islamic centres and various Islamic groups to create awareness among Nigerians on the evils of interest/usury and the need for adopting an Islamic alternative to interest-based banking on the one hand, and on the other hand, to make the Government see reason why Muslims who constitute more than half of the population should be given the opportunity to conduct their financial activities in line with the provisions of Shari'ah. The effort yielded positive results. In addition to Reading material in form of textbooks, books of reading, conference proceedings, leaflets and pamphlets arising from the conferences and seminars were made available in both English and some local languages to enlighten people about Islamic banking and its modus operandi and why Muslims in particular and Nigerians in general deserve to have it. Having created enough awareness among the people, different groups started calling on government to officially recognise Islamic banking and facilitate its emergence.

The year 1991 was a new dawn for Islamic banking in Nigeria. The then military administration headed by General Ibrahim Badamasi Babangida (retired) issued Bank and Other Financial Institutions Decree. The Decree is generally recognised as the first singular effort by the Government to recognise and facilitate the emergence of Islamic banking in Nigeria. Under the heading 'General and Supplementary', section 39 (1) of the Decree provides: "except with the written consent of the Governor no bank shall, as from the commencement of this Decree, be registered or incorporated with a name which includes the words "Central" "Federal," "Federation," "National", "Nigeria", "Reserve", "State", "Christian", "Islamic", "Moslem", "Qur'anic", "Biblical". In section 23 (1) provides: Every bank shall display at its offices its lending and deposit interest rates and shall render to the Bank information on such rates as may be specified, from

time to time, by the Bank; provided that the provisions of this subsection shall not apply to profit and loss sharing banks.

The two aforementioned sections of the Decree were seen to have paved way and provided the necessary legal framework for the establishment of PLS-based mainstream financial and microfinance institutions in Nigeria. Orisankoko (2010) as cited in Dogarawa (2011) even asserts that based on these provisions, two conventional banks were said to have obtained license in 1992 to carryout banking business based on PLS but none could commence operation. In the early 2000s, Habib Bank Nigeria Limited created a window for Shari'ah-compliant financial products based on the provisions of these sections. In April 2003, a full-pledged Islamic bank, JAIZ International Bank was registered to carry out banking operations in line with the Islamic Shari'ah. Although a lot has been done by various stakeholders to actualize JAIZ over the years, the bank was only able to obtain license in early this year and is billed to commence operation in September 2011. In addition to the efforts of Deposit Money Banks (DMBs), few MFIs in especially the North and South-West parts of the country had tried to render PLS-based financial services and offer particularly Murabaha-based products. Dogarawa (2009) documents evidence showing that most of these banks had enjoyed patronage from many unbankable members of the society even though most of the products could not satisfy many of the requirements of Shari'ah. The effort, though not very successful, has confirmed the potential of Islamic microfinance institutions in Nigeria.

2.4. The Concept of Poverty

Poverty is a complex phenomenon, a consequence of lack of growth and inequality. Effective policies require technical and empirical understanding of poverty that is combined with efficient institutions and supportive system of social values. Poverty is one of the vital concerns in most countries whether developed, developing or less developed. According to UNDP (1999), typically poverty can be defined as a situation in which a household or a person is not able to satisfy certain needs or groups of needs (nutrition, shelter, education etc.) based on a priori yardstick. According to the UNDP (1999), the poor are defined as individuals living in households with command over no more than \$1 per day per person valued at international prices.

Poverty means lacking basics - enough food to eat, adequate clothing, a dry home, an indoor toilet, hot water, and a bed to sleep in. Poverty is the obvious deprivation of well-being. It is not being able to satisfy ones basic needs because one possesses insufficient money to buy services or lacks the access to services. Though the income approach is widely referred to as an indirect approach to the measurement of poverty but it enjoys wide acceptance because of its simplicity and comparability, even though different methods may yield different estimates (Baulch, 2012).

In addition, poverty can also be measured more directly through people's own assessment which is different from

income approach (Hoque, Khan & Mohammad, 2015). While such evaluations may suffer from a degree of subjectivity, experience has shown that careful research in this area can bring out a surprisingly robust understanding of the dimensions of poverty that matter most to the poor and the direction of trends on these dimensions (Rahman, Hulme, Maitrot & Ragno, 2014). More so, World Bank (2014) defined poverty as a state of deprivation or denial of the basic chances and opportunities needed to enjoy a decent standard of living, to live a long, healthy constructive life and to participate in employment and in the social, political and cultural life of the community.

To sum it all, poverty means lack of income necessary to satisfy essential food and non-food needs such as: clothing, energy, and shelter and human poverty refers to the lack of basic requirement to sustain basic human capabilities such as: illiteracy, malnutrition, abbreviated life span, poor maternal health, illness and lack of access to goods, services and infrastructures.

2.5. Tijarah Microfinance Bank Limited

Tijarah Microfinance Bank Limited is located at Stables Plaza, 2A Murtala Mohammed Way (Opposite Fidelity Bank Plc), P. O. Box 3583, Bauchi, Bauchi State, Nigeria.

Tijarah Microfinance Bank Limited operates on purely Islamic banking and finance principles, where it invests to facilitate productivity, add value and anticipate a reward from a positive business outcome. Thus, it agrees to take risk for a share of reward and is bound to accept negative outcomes when they occur, while demanding for the best of effort, diligence and responsibility from its operating partners. Its lending, investment and funding operations are strictly assets or services based and within the tenets of the Shari'ah, making it possible for its customers to transact their banking activities in accordance to the dictates of their religious belief. Thus, Tijarah MFB is here to facilitate adherence to the divine call: "O ye who believe! Fear Allah and give up what remains of your demand for interest, if ye are indeed believers" (Qur'an 2:278).

2.6. Products and Services Offered by Tijarah Microfinance Bank Limited

Deposits:

1. Ash-Shams (Current) Account provides safe custody for depositors' funds and allows them access to the Bank's financial intermediation services. Although depositors don't normally come to the Bank to offer it a loan, for practical reasons however, the Bank is obliged to treat deposits on this account as benevolent (Qard Hassanah) loan, which it agrees to pay back upon demand from the depositor either in person or proxy (cheque). The Bank neither receives payment of fees on these deposits.
2. Al-Qamar (Savings) Account is an everyday savings account that caters for small savers' need for safe custody, security of payment and the potential to instill financial discipline and steady capital build-up towards

future investment and wealth accumulation. Only a of the depositors' earning is being targeted, while the owner is encouraged to live on the balance for a better tomorrow. Deposits through this product are treated as Qard Hassan loan to the Bank to be returned on demand.

3. Al-Qamar Plus (Premium Savings) Account, is a target savings account based on the Mudarabah principle (profit sharing most joint venture), where funds are locked down a minimum period of 90 days and invested by the Bank in opportunities of similar tenor. Profits are to be shared at 65:35 ratio between the Bank and investors. It requires minimum deposit of ₦25, 000.
4. Hajj Savings Account, provides opportunity for fractional savings for intending pilgrims both for the current and later year(s) pilgrimage. Also based on the Mudarabah principle, where savings are invested and profits shared with participants (at 60:40 ratio between the Bank and participants) to fast-track realization of their Hajj. It has no minimum threshold but as the depositor decides, funds can only be accessed for Hajj payment where enough has been accumulated for the purpose.
5. Elegance (Fixed Deposit) Account is based on the Musharakah principle (profit/loss sharing partnership). With a minimum deposit of ₦250,000.00 and tenor 180 days or six months, without access to the funds, for a share of profit or loss according to participant's contribution. Profits are shared quarterly (at 50:50 ratio), while losses are borne according to the portion of participant's investment to the pool. The principal plus accrued profits are re-invested continuously for the tenured period, which would then be terminated or renewed on depositor's request.
6. Al-Noujoom or Galaxy (Fixed Deposit) Account, is also based on the Musharakah principle but with a minimum deposit of ₦500,000 and a longer contract tenor of 270 days or nine months. Profits are shared quarterly but at the ratio of 40:60 between the Bank and depositors while losses are shared fraction according to each participant's contribution. Likewise the principal plus accrued profits are re-invested till the end, unless otherwise instructed by the participant.
7. Attajiri Investment Account is based on the Wakalah principle (fee-based Agency relationship). Supported by a standard Master Wakalah contract where the Bank as Wakeel (Agent) selects the best and profitable portfolio with track record of for favourable performance to invest managed funds. Forecast profit are indicated on the offer letter to the Muwakkeel, while the Bank deploys its best funds management skill to ensure its realization for a 1% Wakalah (Agency) fee on amount invested. If forecast profit is realized, it all goes to the investor/depositor, but when exceeded, the Bank keeps the excess along with its 1% agency commission. It requires an initial deposit of ₦1,000,000.00 and to be locked down for one year before termination. Profits are to be distributed annually.
8. Zakkat (Management) Account, is also based on the

Wakalah principle, where the Bank collects Zakkat due from its customers and other volunteers for distribution to the 8 categories of Shari'ah prescribed beneficiaries on annual basis. The Bank benefits from the 12% recommended management fee as fund manager. Stewardship accounts are rendered to contributors on half yearly basis.

9. Sabil (Charity Management) Account is based on the Wakalah principle. This is a unique innovation from Tijarah MFB Limited, which seeks to institutionalize the mobilization, collection and distribution of Charity on a sustainable basis. Premised on the adage that 'little drops make an ocean' this scheme has the potential to mobilize enormous amounts through small charity contributions of as little as ₦100 monthly from workers' salaries to feed, heal, cloth and even shelter the hungry, the sick, the naked and the homeless in our society "...and in their wealth and possessions (was remembered) the right of the (needy), him who asked and him who (for some reason) was prevented (from asking) "...Qur. 51:18.

Tijarah Microfinance Bank therefore reminds all people of means to give our Creator a small portion of their earnings as loan for which He has promised to repay in multitude. Stewardship accounts are to be published on national dailies biannually.

2.7. Businesses carried out by Tijarah Microfinance Bank Limited

1. Tijarah (Business) Boost supports MSMEs with tools, equipment as well as working capital to accommodate other financing gaps on profit sharing basis. The nature of the proposal determines the appropriate financing mode to adopt as agreed by both parties.
2. Na'urah with Ease, to help finance the acquisition of household goods and other luxury equipments (TV sets, Refrigerators, Vehicles, Laptops etc), on cost-plus mark-up/deferred payment or cost-plus mark-up/lease basis.
3. Quangilah Express, to provide Bid-Bond, APG and Performance Bond fee-based services, as well bridge finance to contractors to facilitate timely execution of contracts on profit/loss sharing basis.
4. Qungiyah (Group) Finance, to provide shared-responsibility/joint-liability financing facilities to women groups and other indigent community based organizations on cost-plus mark-up or profit sharing joint venture arrangement.
5. Sa'eedah Loan Scheme, to provide soft/benevolent interest-free loans to salary earners and small-savers for non-commercial or personal consumption purposes only. It requires the purchase of an Application Format at the cost of ₦1,500 only per request, while the borrower repays the exact amount borrowed without any addition whatsoever. Repayment is to be scheduled to the borrower's convenience as the loan is aimed at easing his difficulty. It is based on the Qard Hassan principle.

2.8. Islamic Microfinance Institutions and Poverty Alleviation

Islamic Microfinance institutions have played a vital role in economic development of many countries. A lot of researches were conducted in this field of study both in Nigeria and other parts of the world.

Muhammad and Hassan (2008) investigated the challenges facing micro-financing in Nigeria and the prospects for Islamic micro-financing in providing an alternative to the conventional sources. The study has relied on the sources of Shari'ah law, journals, periodicals, conference proceedings, text books, internet search and other sources of published data to support the argument. The study concluded that Nigeria being a country with a Muslims majority represents a potential for Islamic microfinance especially that most Muslims reject the conventional interest based micro-financing, which is not tailored in line with their faith. This might cause failure of government project to combat poverty in the country through micro-financing. Under the above circumstance, Islamic micro-financing has potential to serve the country better. Also, Dogarawa (2009) developed a proposal for an effective Islamic microfinance in Northern Nigeria. The study used descriptive technique and provided the framework for establishing Islamic microfinance and the specific roles various stakeholders are expected to play in the effort to realise the economic potentials of the Muslim dominated region. The study concluded that that unless Islamic micro-financing is given necessary attention in the North, poverty would continue to bedevil development in the region.

Abdulrahim (2010) examined the impact of Islamic microfinance on poverty alleviation in Nigeria and documented that Islamic finance has an important role to play in socio-economic development of the poor and small (micro) entrepreneurs without necessarily charging interest (Riba). The study concluded that qardhul hasan, Murabahah and ijarah schemes can be easily manage which will equally ensure the capital needs for potential micro-entrepreneurs and the poor. The study further mentioned that schemes such as mudarabah and musharakah, on the other hand, have great potentials for micro-finance purposes as they can satisfy the risk sharing needs of the micro-entrepreneurs. In addition, Dogarawa (2011) assessed the potentials and challenges of Islamic micro-finance banks in Nigeria under the new guidelines. Using literature survey and responses obtained through interviews, the study confirmed that with Muslim population of more than 54% across the regions, Islamic micro-finance has a lot of potentials in Nigeria as justified by a number of empirical literatures and the responses obtained from enthusiastic respondents. It also confirms that unless serious attention is given to skill development, manpower challenge of the new guideline can present hiccup to the successful implementation of the NIFIs framework. Further, the study concluded that manpower development is central to successful implementation of the newly released framework and should therefore be given immediate attention.

Mirghani, Mohammed, Bhuiyan and Siwar (2011)

examined the prospective area as well as future challenges in the coming times for establishing sustainable IMFIs in the way of poverty alleviation. Documentary analysis was used and the study documented that the Shari'ah encourages savings and investment rather than excessive consumer debt. Some of the most significant obstacles facing Islamic microfinance lie in the rising costs, where the needs for implementation and follow-up to the field are greater than in conventional finance; poor awareness of systems and methods of Islamic finance among the target audience; and the execution of Islamic finance by certain authorities without having adequate knowledge in it, leading to wrong practices and loss of public confidence in Islamic finance. In the same vein, Khaleequzzaman and Shirazi (2012) highlighted some issues of conventional microfinance leading to irrational results and suggested alternative mechanism of Islamic microfinance to alleviate poverty in more effective manner. The results of the research are based on extensive review of literature comparing both the systems and finding reasonable ground for Islamic microfinance to be more inclusive and viable. Owing to time constraint, data set of Pakistan Poverty Alleviation Fund was used to assess impact of conventional microfinance which suggested that change in poverty status of the poorest was not significant rather the affluent poor benefitted the most. Further, social capital, a microfinance innovation to safeguard against willful default, has not worked and is failing in many cases. Against this, Islamic values provide in-built mechanism of creating trust between MFI and client by building Islamic social capital where the latter shares the responsibility of loss sustained by the former.

Mohamoud-Yonis (2012) determined the role of the Islamic microfinance in poverty alleviation efforts in Somaliland and how this role can be enhanced. The study was conducted through descriptive survey research design; data was collected in April 2012 to June 2012, using questionnaire, interview and document review techniques from two Islamic Financial Institutions of Kaaba Microfinance Institution and Salaam Financial Services, data was analyzed using descriptive quantitative methods and presented in tables and figures. The study concluded that the institutions partially address in practice the issue of financial exclusion of the poor. They do not tap the wide variety of financial products and services which comply with Islamic law for the benefit of their clients particularly the hardcore poor and limited attention is paid to targeting the poor with their needs of financial services and products. More so, Jariya (2013) evaluate the impact of Islamic microfinance model in all aspect of the objectives of microfinance in Sri Lanka using case study methodology. A sample of seven beneficiaries of Islamic microfinance program of Islamic Relief was considered for the data collection. The questionnaire and interview methods were utilized as necessary data collection tools and descriptive statistics was used as technique for data analysis. The finding of the study showed that the beneficiaries are having their own income generating activities which has increased their income, purchasing behaviour, change their standard of living and

they are happy and confident in their life. Furthermore, Muhammad and Zakaullah (2013) investigated and developed an Islamic micro-investment model that is less susceptible to the current problems of microfinance in Nigeria. The research uses qualitative techniques, specifically experts' interviews to examine the applicability of the proposed model. Findings from qualitative data indicated that Islamic Micro-investment Model is applicable in Kano State, Nigeria and has tremendous benefits for the micro-investors in particular and the society at large. It should be noted that, piloting the IMIM will assist in perfecting the model.

Onakoya and Onakoya (2014) examined how Islamic microfinance can be used to alleviate poverty and maintain sustainable development in Nigeria. It analyses the principles of Islamic finance and conceptualizes its operational details to see the linkage between the real economies and sustainable development. Triangulation methodology was employed in the study. Survey questionnaire and semi-structured interview were used for the purpose of collecting the data for the study. Descriptive analysis including ratio analysis and percentage analysis were used as techniques for data analysis. The study results revealed that notwithstanding the current upsurge in religious tension in Nigeria, religion is not a hindering factor to the implementation of Islamic microfinance. The result further showed that Islamic microfinance in concert with the right fiscal and monetary policies framework, has contributed positively to poverty alleviation in Nigeria. Moreover, Rokhman (2013) examined the role of Islamic microfinance on poverty alleviation. The four indicators of poverty alleviation were used: income levels, children's education, health care, and business progress. The study used the sample of 150 borrowers from 20 Islamic microfinance institutions in Central Java, Indonesia. Questionnaire was distributed to them using the purposive sampling method. Out of 150 questionnaires distributed, the researchers received back 124 responses. The empirical tests indicated that microfinance has a significant role on improving income level, children's education, and business progress. However, the study did not find any significant role of microfinance in access to health care.

Aslam (2014) analyzed the role of Islamic microfinance to alleviate poverty in Pakistan. An Empirical approach has been adopted due to lack of knowledge to clients about products, technical terms, lack of time, and the study realized that the changing improvement in the eyes of those people who directly involve in the system. Questionnaire was used as a tool for data collection. The qualitative data was quantified and chi-square test was applied to test the association of attributes by 5% level of significance. The study concluded that Islamic microfinance is playing an important role to improve the living standard, per capita income, awareness level (Educational level), ethical values, profitability, sustainability, infrastructure position, employment level in the society, helpful in controlling inflation and unequal distribution of wealth. People are more interested due to religious prospective and prohibition of riba in Islam. Similarly, Balogun, Bustamam and Johari (2014)

examined the potential of Islamic finance as an alternative source of funding for women entrepreneurs in Sokoto State, Nigeria. The study is conceptual in nature in which analytical method was employed based on previous literatures to explain the potentials and importance of Islamic finance to the women entrepreneur's business performance in Sokoto State. The finding shows that finance remains a major impediment to women entrepreneur's business performance in Sokoto State. The study concluded that Islamic finance has a role to play in financing women entrepreneurs in Sokoto through its microfinance products such as Mudarabah, Musharakah, Murabahah, Ijarah, Wakalah etc.

Adepoju and Oyesanya (2014) critically analysed the poverty alleviation strategies of Al-Hayat Relief Foundation, with a view to establishing a framework for the Muslim communities in Nigeria in their quest for poverty reduction. The study applied analytical analysis methodology of previous studies. The study concluded that Al-Hayat Relief Foundation, as a microfinance organisation has been proactive in alleviating poverty among the Muslim populace through a number of interrelated strategies. In addition, Abbas and Shirazi (2015) examined the perceptions of key players on how the structure and move of the Islamic banks of Pakistan is used to alleviate poverty. The study gathered relevant information through conducting field survey. Two questionnaires were designed for the survey. One questionnaire was administered to survey 270 micro-entrepreneurs and petty traders in three major cities of Pakistan. Another survey deals with the perceptions of Islamic bankers. In total, 100 people from middle and top management were surveyed from five full-fledged Islamic banks of Pakistan. The study found the strong opinions of the respondents speak in favour of Islamic microfinance under a system of profit and loss sharing.

Dhaoui (2015) determined the role of the Islamic microfinance in poverty alleviation efforts in Bangladesh and how this role can be enhanced. Documentary analysis technique was employed for the analysis. The study concluded that the various loans program have a significant role in alleviate poverty, unless they were in an environment with material and social capital sufficient to achieve the goals of the said programs. Islamic microfinance has won recognitions as an important strategy against poverty. It is an institution that is ready and prepared to serve larger population of the target poor individuals. More so, Mahmood, Mehreen, Khan and Qamar (2015) observed the implications of IMF on the assets and poverty status of the households who borrowed from three pioneering organizations i.e. Akhuwat Foundation, Farz Foundation and NAYMAT based in Lahore, Punjab, Pakistan. Pre and post project approach was rendered to observe the impacts of microfinance on the targeted respondents. In this regard, purposive sampling was employed for data collection to avoid randomized error where self-administered structured questionnaire was used for data collection. Foster, Greer and Thorbecke measures of poverty assessment were used to achieve the objectives of the study. Results exhibited positive impacts of Islamic

microfinance on the lives of the poor.

Mohammad (2015) identified some approaches of poverty alleviation from Islamic perspective in Bangladesh. In order to attain the objective of the study, the descriptive method of analysis was adopted. The main causes of poverty in Bangladesh are: corruption, injustice, poor ethics of work, lack of monitoring and follow up in implementing the poverty alleviation programs. It is also found from the analysis that moral education, modification of land or agricultural rules, restructuring labor policy and facilitating access to credit for the poor were the major causes of poverty. However, Alameen (2016) analysed the imperativeness of embedding Islamic microfinance into the Nigerian system and also sought to establish inequity and consequential breach of right that result from the absence of Islamic microfinance policies in Nigeria. Particular focus was placed on the absence of sharia-compliant avenue for government funded schemes. Documentary technique using analytical methodology was employed for the analysis. The study established the existence of people's right to Islamic microfinance through a constitutional analysis. It goes further to establish an equitable economic approach, which helped to clearly substantiate the problem with the status quo in Nigeria. Aslam (2016) provided a practical Islamic microfinance model that can be considered to be more fruitful and productive to alleviate poverty effectively; it explains that seven years might be sufficient to reduce poverty from the society at large. Documentary as well as primary sources of data were employed for data collection. The study found that microfinance has failed to make a major breakthrough in Pakistan in order to become a dynamic participant. Poverty rate increased from 23.9 to 37.5 percent and more than sixty million people were living below absolute poverty line. Further, in Pakistan an agricultural country, small farmers with less than 5 acres of land, faced a serious problem of funds, although they required a few amount for inputs. Most of the areas have no medical facility, education and shelter. The recent disaster of Thar and Chulsitan own speaks loud the failure of Government development programmes.

Uddin and Barai (2016) explored the role of Islamic microcredit in Bangladesh in increasing the borrowers' income. For the purpose of the study, a total of 87 Islamic microcredit borrowers under the Rural Development Scheme of Islamic Bank Ltd. were interviewed with a structured questionnaire in the third quarter of 2015 to collect data. Expectedly, the study documented that Islamic microfinance helps the poor people get out of poverty through the rise of their income. Furthermore, Abdulqadir and Maishanu (n.d) provided an overview of Islamic microfinance with its various Shari'ah compliant mode of financing that could be used in the provision of finance for the poor and low income group. The study also discussed the challenges faced by Islamic microfinance as demand for it increases and more and more countries adopt it. The study found out that this particular policy pronouncement generated a lot of interests and controversies in Nigeria and the study tried to dispel these misconceptions and misunderstanding at the theoretical level.

From the review of literature, most of the studies were

conducted in muslims dominated countries such as Indonesia, Pakistan, Malaysia, Bangladesh etc. Only few studies were conducted in Nigeria and most of them used documentary and critical analysis as methodology, while the present study used primary data for the study.

3. Methodology

The population of the study consists of all clients and the management staff of Tijarah Microfinance Bank Limited, Bauchi. There are eleven (11) staff in the bank (1 Managing Director, 1 accountant, 3 staff in the operations unit, 3 staff in the marketing unit and 3 staff in the customer care unit). While, there are 123 clients of the bank in all the 20 local governments of the state. The sample size of the study comprised of all the 11 staff and 80 clients of Tijarah Microfinance Bank, Bauchi. The sampling technique used in this study was the purposive sampling technique. The purposive sampling technique refers to the situation that the researcher decides who to include in the sample based on their typicality (Muhammed, 2012). It is mainly used to gather focused information and in this study it was used to collect data from the individuals who had the requisite information. The data was collected through the use of structured questionnaire from the respondents. A total of eleven (11) copies of questionnaire were distributed to the staff of Bank and eighty (80) copies of questionnaire were administered by the researcher to clients of the bank. The researcher distributed the questionnaire to the respondents, with the help of research assistants. Explanations on the questionnaire were given to the respondents in the local languages (i.e. Hausa and Fulfulde) where necessary. The data generated from the survey was analyzed using descriptive statistics where mean value of 3.50 is benchmarked as minimum, thus, any mean below this signifies that the respondents do not agree with the statement in the question under consideration. Chi-square test and independent sample test were also used for the analysis with the aid of Statistical Package for Social Sciences (SPSS) version 19.0.

4. Results and Discussion

Interestingly, all the eleven (11) copies of the questionnaire distributed to the staff of the bank were correctly completed and returned representing 100 percent response rate. While, for the clients of the bank, only fifty six (56) copies of the questionnaire distributed were correctly completed and returned representing 70 percent response rate. Hence the analysis was based on eleven (11) staff and fifty six (56) clients of Tijarah Microfinance Bank, Bauchi. The information gathered from the questionnaire was presented and analysed concurrently for clear scrutiny.

4.1. Analysis of Clients Data

4.1.1. Demography of the Clients Respondents

Tables 1, 2 and 3 are used to present the analysis of the background information of the clients respondents.

Table 1. Religion of the Clients.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Islam	56	100.0	100.0	100.0

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

Table 1 presents the religion of the clients and it shows that all the clients of Tijarah Microfinance Bank were Muslims.

Table 2. Qualification of the Clients.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor	4	7.1	7.1	7.1
	Diploma/Certificate	32	57.1	57.1	64.3
	Others	20	35.7	35.7	100.0
	Total	56	100.0	100.0	

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

Table 2 presents the qualification of the clients. It shows that, 4 clients representing 7.1 percent of the total clients have bachelor degree, while 32 clients representing 57.1 percent of the total clients have diploma certificate and finally, 20 clients representing 35.7 percent of the total

clients have other qualifications ranging from secondary school, primary school and Arabic schools. This indicate that most of the clients of Tijarah Microfinance Bank were having diploma certificate and other qualifications.

Table 3. Nature of Business of the Clients.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Food & Beverages	18	32.1	32.1	32.1
	Wood & Wood Products	3	5.4	5.4	37.5
	Farm Products	35	62.5	62.5	100.0
	Total	56	100.0	100.0	

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

Table 3 presents the nature of business of the clients. It shows that, 18 clients representing 32.1 percent of the total clients were engaged in food and beverages business, while 3 clients representing 5.4 percent of the total clients were engaged in wood and wood products business and finally, 35 clients representing 62.5 percent of the total clients were engaged in farm products related businesses. This indicates that most of the clients of Tijarah Microfinance Bank were farm products related businesses.

4.1.2. Motivation for Islamic Microfinance

This sub-section presents, analyzes and interprete the responses obtained on what motivate the clients to patronize the products of Tijarah Microfinance bank. In testing this, two items (questions) were developed and are lebled motivation 1- 2 accordingly for identification (Table 4).

Table 4. Labels of Questionnaire Items on the Motivation for Islamic Microfinance.

S/N	Questionnaire Items	Label
1	The most motivational factor of Islamic microfinance is religion	Motivation 1
2	The most motivational factor of Islamic microfinance is the nature of its products	Motivation 2

Table 4 presents the two items under the construct for the motivation of Islamic microfinance. Equally, the items are label from Motivation 1 – 2 for idendification and are used with that label throughout.

Table 5. Descriptive Statistics on Motivation for Islamic Microfinance.

	N	Mean	Std. Deviation
Motivation 1	56	3.4821	1.47699
Motivation 2	56	3.0714	1.51186
Valid N (listwise)	56		

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

Table 5 vividly shows the elements of descriptive statistics on the motivation of Islamic microfinance. It could be deduced from the table that the mean score of (Motivation 1) that is religion as a motivating factor is approximately 3.5 which stands within the range of the cut-off value mean of 3.5 and this indicates a high score on the religion as a motivating factor for Islamic microfinance. On the other hand, Table 5 shows the mean score of (Motivation 2) that is product as a motivating factor for Islamic microfinance as 3.1 which stands below the cut-off value mean of 3.5 and this indicates a low score on the product as a motivating factor for Islamic microfinance. In the same vein, the standard deviations around the mean values of all the items show that there is wide dispersion in their responses.

Table 6. Chi-square Test Statistics on the Motivation for Islamic Microfinance.

	Motivation 1	Motivation 2
Chi-Square	13.107	5.964
Df	4	4
Asymp. Sig.	.011	.202

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

Table 6 presents the Chi-Square test on the motivation of Islamic microfinance. It indicates the computed Chi-Square values as 13.107 and 15.964 with the corresponding degrees of freedom of 4 for both Motivation 1 (religion as a motivating factor) and Motivation 2 (product as a motivating factor) with P-Values of .011 and .202. It could be inferred from the table that the P-value for Motivation 1 (religion as a motivating factor) is lower than the 5% level of significance indicating that religion is the motivating factor for Islamic microfinance. On the other hand, the P-value of Motivation 2 (product as a motivating factor) is greater than the 5% level of significance which indicates that the type of product provided by the bank is not a motivating factor for Islamic microfinance.

4.1.3. Perception of the Respondents on the Potential of Islamic Microfinance in Poverty Alleviation

This sub-section presents, analyzes and interprete the responses obtained on the perception of the respondents on the potential of Islamic microfinance in poverty alleviation. In testing this, twelve items (questions) were developed and are lebled Potential 1- 12 accordingly for identification (Table 7).

Table 7. Potential of Islamic Microfinance in Poverty Alleviation.

S/N	Questionnaire Items	Label
1	Islamic microfinance can be a powerful tool against poverty	Potential 1
2	Islamic microfinance programmes can have a positive impact on the economic status of the poor	Potential 2
3	Islamic microfinance consists of providing financial help to low income families or individuals who lack access to interest based banking services	Potential 3
4	Islamic microfinance services should be made available for all living below the poverty line income	Potential 4
5	Islamic microfinance can alleviate poverty	Potential 5
6	Islamic microfinance impact on the real sector of the Nigerian economy and contribute positively toward sustainable development	Potential 6
7	Islamic microfinance encourage lower income micro-entrepreneurs by offering microfinance without collateral such as witness/guarantor	Potential 7
8	Government of Nigeria supports the establishment of Islamic microfinance to provide loan to lower income micro-entrepreneurs	Potential 8
9	Islamic microfinance can help the needy and is better than conventional microfinance	Potential 9
10	In Islamic microfinance, the extra charge on initial capital (borrowed) is lower than that of the conventional microfinance	Potential 10
11	Loans can obtain Islamic microfinance without collateral, such as, witness/guarantor	Potential 11
12	There will be creation of more jobs, which will have a positive impact on unemployment and a greater long term effect on sustainable development of the economy as a result of Islamic microfinance	Potential 12

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

Table 7 presents the twelve items under the construct for the perception of the respondents on the potential of Islamic microfinance in poverty alleviation. Equally, the items are label from Potential 1 – 12 for idendification and are used with that label throughtout.

4.1.4. Clients' Perception on the Potential of Islamic Microfinance in Poverty Alleviation

Table 8. Descriptive Statistics on the Clients' Perception on the Potential of Islamic Microfinance in Poverty Alleviation.

	N	Mean	Std. Deviation
Potential 1	56	3.9643	.87312
Potential 2	56	3.9286	.93141
Potential 3	56	4.1250	.99201

	N	Mean	Std. Deviation
Potential 4	56	3.9643	1.07812
Potential 5	56	4.0536	.81842
Potential 6	56	4.1071	.90812
Potential 7	56	4.0714	1.00647
Potential 8	56	4.1429	.86189
Potential 9	56	4.1964	.84034
Potential 10	56	3.7500	1.09959
Potential 11	56	4.0714	.82808
Potential 12	56	3.6250	1.08816
Valid N (listwise)	56		

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

Table 8 vividly shows the elements of descriptive statistics on the clients' perception on the potential of Islamic microfinance in poverty alleviation. It could be deduced from

the table that the mean scores of all the twelve items on the clients' perception on the potential of Islamic microfinance in poverty alleviation were effective. All the mean scores stand above cut-off value mean of 3.5 and this indicates a high score on the clients' perception on the potential of Islamic microfinance in poverty alleviation. In the same vein, the standard deviation around the mean values in all the twelve elements show that there is wide dispersion in the respondents' views with regard to the clients' perception on

the potential of Islamic microfinance in poverty alleviation.

Table 9 presents the Chi-Square test on the clients' perception on the potential of Islamic microfinance in poverty alleviation. It could be inferred from the table that the P-values of all the computed Chi-Square values are lower than the convenient level of significance of 5%. This suggests that the clients of Tijarah Microfinance bank are of the opinion that Islamic microfinance bank has the potential of alleviating poverty.

Table 9. Chi-square Test Statistics on the Clients' Perception on the Potential of Islamic Microfinance in Poverty Alleviation.

	Potential 1	Potential 2	Potential 3	Potential 4	Potential 5	Potential 6	Potential 7	Potential 8	Potential 9	Potential 10	Potential 11	Potential 12
Chi-Square	34.857	51.857	45.786	28.107	33.857	47.929	39.000	52.393	59.714	36.321	60.964	25.429
Df	3	4	4	4	3	4	4	4	4	4	4	4
Asymp. Sig.	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017

4.2. Analysis of Staff Data

4.2.1. Demography of the Staff of Tijarah Microfinance Bank

Tables 10, 11, 12, 13 and 14 are used to present the analysis of the background information of the staff respondents.

Table 10 presents the religion of the staff and it shows that all the staff of Tijarah Microfinance Bank were Muslims.

Table 10. Religion of the Staff.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Islam	11	100.0	100.0	100.0

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

Table 11. Qualification of the Staff.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Masters	1	9.1	9.1	9.1
	Bachelor	6	54.5	54.5	63.6
	Diploma/Certificate	4	36.4	36.4	100.0
	Total	11	100.0	100.0	

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

Table 11 presents the qualification of the staff. It shows that, 1 staff representing 9.1 percent of the total staff has master degree, while 6 staff representing 54.5 percent of the total staff have bachelor degrees and finally 4 staff

representing 36.4 percent of the total staff have diploma certificates. This indicate that most of the staff of Tijarah Microfinance Bank were having bachelor degrees and diploma certificates.

Table 12. Specialization of the Staff.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Economics	2	18.2	18.2	18.2
	Finance	4	36.4	36.4	54.5
	Islamic Finance	2	18.2	18.2	72.7
	Others	3	27.3	27.3	100.0
	Total	11	100.0	100.0	

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

Table 13. Position of the Staff.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Top Management	1	9.1	9.1	9.1
	Middle Manangement	3	27.3	27.3	36.4
	Others	7	63.6	63.6	100.0
	Total	11	100.0	100.0	

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

Table 12 presents the specialization of the staff. It shows that, 2 staff representing 18.2 percent each of the total staff specialized in economics and Islamic finance, 4 of the respondents representing 36.4 percent specialized in finance and finally 3 staff representing 27.3 percent specialized in other disciplines.

Table 13 presents the position of the staff. It shows that, 1 staff representing 9.1 percent of the total staff is in the top management position, 3 of the respondents representing 27.3 percent of the total staff were in the middle management position and finally 7 staff representing 63.6 percent belongs to other positions.

Table 14. Working Experience of the Respondents.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 Years	11	100.0	100.0	100.0

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

Table 14 presents the working experience of the respondents and it shows that all the staff of Tijarah Microfinance Bank have working experience between 1-5 years. This is so because the bank was established in 2014.

4.2.2. Staff's Perception on the Potential of Islamic Microfinance in Poverty Alleviation

Table 15. Descriptive Statistics on the Clients' Perception on the Potential of Islamic Microfinance in Poverty Alleviation.

	N	Mean	Std. Deviation
Potential 1	11	3.6364	.92442
Potential 2	11	4.1818	1.47093
Potential 3	11	3.4545	1.03573
Potential 4	11	3.6364	.92442
Potential 5	11	4.1818	1.47093
Potential 6	11	3.5455	1.12815
Potential 7	11	3.6364	.92442
Potential 8	11	4.1818	1.47093
Potential 9	11	3.4545	1.03573
Potential 10	11	3.6364	.92442
Potential 11	11	3.5455	1.12815
Potential 12	11	3.5455	1.12815
Valid N (listwise)	11		

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

Table 15 vividly shows the elements of descriptive statistics on the staff's perception on the potential of Islamic microfinance in poverty alleviation. It could be deduced from the table that the mean scores of all the twelve items on the staff's perception on the potential of Islamic microfinance in poverty alleviation were effective. All the mean scores stand above cut-off value mean of 3.5 and this indicates a high score on the staff's perception on the potential of Islamic microfinance in poverty alleviation. In the same vein, the standard deviation around the mean values in all the twelve elements show that there is wide dispersion in the respondents' views with regard to the staff's perception on the potential of Islamic microfinance in poverty alleviation.

Table 16 presents the Chi-Square test on the staff's perception on the potential of Islamic microfinance in poverty alleviation. It could be inferred from the table that the P-values of all the computed Chi-Square values are lower than the convenient level of significance of 5%. This suggests that the staff of Tijarah Microfinance bank are of the opinion that Islamic microfinance bank has the potential of alleviating poverty.

Table 16. Chi-square Test Statistics on the Staff's Perception on the Potential of Islamic Microfinance in Poverty Alleviation.

	Potential 1	Potential 2	Potential 3	Potential 4	Potential 5	Potential 6	Potential 7	Potential 8	Potential 9	Potential 10	Potential 11	Potential 12
Chi-Square	9.000	13.364	13.364	9.000	13.364	13.091	9.000	13.364	13.364	9.000	13.091	13.091
Df	3	3	3	3	3	4	3	3	3	3	4	4
Asymp. Sig.	.029	.004	.004	.029	.004	.011	.029	.004	.004	.029	.011	.011

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017

Table 17. Descriptive Statistics on the Potential of Islamic Microfinance in Poverty Alleviation between the Staff and Client of Ijarah Microfinance Bank.

	Grp	N	Mean	Std. Deviation	Std. Error Mean
Islaimic Microfinance and Poverty	Clients	56	48.0000	4.47214	.59761
	Staff	11	44.6364	11.25409	3.39324

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

In comparing between the perceptions of the staff and the clients of Tijarah Microfinance on the potential of Islamic Microfinance bank in poverty alleviation, Table 17 reveals that the clients' perception is higher than that of the staff as it has a higher mean of 48.00 than that of the staff of 44.63.

Table 18 shows that there is statistically significant difference between the responses of the staff and the clients with respect to their perception on the potential of Islamic Microfinance bank in poverty alleviation. This is evident from the table as the significant value of 0.000 is less than 5%

level of significance. It means that there is significant difference between the perceptions of the two categories of respondents on the potential of Islamic Microfinance bank in poverty alleviation.

5. Conclusion

Islamic Microfinance Institutions played an important role in alleviating poverty among the populace. Relevant and related literature on the subject matter both in Nigeria and the world over were reviewed. This study enlightened the teaming youth as well as other unemployed graduates on how Tijara Islamic Microfinance Bank, Bauchi add value to the people of Bauchi State, Nigeria. It has created awareness among the rural as well as the urban people about the immense contribution of Islamic Microfinance Institutions to the alleviation of poverty among the people. Furthermore, Islamic micro finance has won recognitions as an important strategy against poverty it is an institution that is ready and prepared to serve larger population of the target poor individuals. From the analysis of the study, it was found out that religion is a major motivating

factor for Islamic Microfinance bank. Also, both the clients and the staff of Tijarah Microfinance bank are of the opinion that Islamic microfinance bank has the potential of alleviating poverty and that there is significant difference between the perceptions of the two categories of respondents on the potential of Islamic Microfinance bank in poverty alleviation. Based on the findings and conclusion of this study, it was recommended that Islamic Microfinance banks should properly educate their clients about Islamic financing, its implementation according to Shariah and its proper use for productive proposes by developing a good information system using good visuals and professionally presented seminars, banners and arranging regular sessions with the business community. This is because the growth and development of Islamic Microfinance banks in the country largely depend on its customers' enhanced knowledge and awareness about its products and services. Moreover, government must not only make proper policies for Islamic microfinance institutions but they must employ all of their resources to implement it to get rid of poverty from the masses in Nigeria.

Table 18. Independent Sample T-Test on the Potential of Islamic Microfinance Bank in Poverty Alleviation between the Staff and Client of Ijarah Microfinance Bank.

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2- tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Islamic	Equal variances assumed	14.758	.000	1.690	65	.096	3.36364	1.98998	-6.1062	7.33789
Microfinance and Poverty	Equal variances not assumed			.976	10.628	.351	3.36364	3.44546	-4.25227	10.97954

Source: Generated by the Researcher using SPSS 19.0 from Questionnaire Response, 2017.

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