

## Socio-economic Characteristics of Small Scale Enterprises and Micro-finance Bank Officials in Osun State, Nigeria

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Socio-economic characteristics of a study population constitute significant determinants of results and findings in a survey typed of research. Therefore, this study examined socio-demographic distribution of microfinance bank officials (MFBOs), socio-economic characteristics on small scale entrepreneurs (SSEs) and characteristics of small scale enterprises in Osun State, Nigeria. Descriptive survey design was adopted for this study. Respondents (90 MFBOs and 450 SSEs) were selected based on purposive and simple random sampling techniques. Structured questionnaire was used to generate appropriate data. Descriptive statistics were employed to analyse data. Findings based on socio-demographic profile of the MFB operators revealed male (62.8%), female (37.2%); married (88.5%), others (11.5%) and B.sc holders (70.5%), others (29.5%). Socio-economic characteristics of SSEs were: male (67.8%) female (32.2%) married (81.8%), others (28.2%) and B.sc/M.sc holders (23%), others (77%). The implication of findings in this study is that there were more men in SSEs and microfinance bank operations than women.

*Key Words:* Small-scale entrepreneurs, microfinance bank officials, socioeconomic characteristics

### Introduction

*Small Scale Enterprises:* The diversity in concept of small scale enterprise or industry is exemplified by a study carried out on Small Scale Industries in seventy-five countries by the Georgia Institute of Technology in which over five different definitions were compiled. Thus, there is no universally accepted definition of small scale industries. The problem with most of the single variable definition is that these are inflexible and arbitrary. If project cost or capital or turnover is used, the definition may become irrelevant in later years due to global inflation (Aderemi, 2002).


Some definitions appear acceptable for some countries. For Egypt, Israel and Italy, the United Nations report on the development of producing industries as organisations employing ten or more persons as small scale enterprises. In Great Britain, small scale industries include those with an annual turnover of two million pounds or less and with less than 200 paid employees. This definition makes no reference to capital investment. In Indonesia, those industries employing less than 10 full time workers are termed as small scale industries while to Japanese and Americans, small scale industries are those employing between 300 and 500 workers. For countries like Japan, India, Philippines, North Korea and South Korea,

there are really no distinctions between small and medium-sized industries. The Small Business Administration (SBA) in the U.S.A defined small scale enterprises by its loan purpose and nature of services (Ikide, Akinlo and Mochizuk, 1998). For the purpose of assistance from the Small Business Investment Companies (SBICs), an enterprise must have assets not in excess of \$9 million, net worth of not more than \$4 million and net profit after tax not exceeding \$400,000.

Nigerian Institute of Social and Economic Research (NISER) (1987) defined small scale industries as those establishments engaged in production (manufacturing) or semi-production or repair type activities employing a maximum of 50 persons or with a maximum capital of ₦150,000. According to the European Commission in Evbuomwan, Ikpi, Okoruwa and Akinyosoye (2013) small scale enterprises were

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defined as those employing less than 50 persons and with annual sales or total assets that do not exceed \$13 million. Asia Pacific Economic Cooperation (APEC) defined small enterprises as enterprises that employ between five and nineteen which include self-employed managers. To Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) (2007), small scale enterprises in Nigeria are enterprises that have between 10 – 49 employees and above ₦5 million but less than ₦50 million assets excluding land and buildings. To Mawoli and Aliyu (2010), small scale enterprises (SSEs) referred to all commercial undertakings that are small in size, have small number of employees, capital employed, number of customers, sales turnover. Federal Ministry of Industry (FMI), (1972) said that a small scale enterprise is an enterprise having investment capital in land, building, machinery and equipment and working capital up to ₦60,000 and employing not more than 50 persons. Between 1972 and 1981, the Ministry reviewed the investment capital three times. For example, it was reviewed to ₦60, 000 in 1972, to ₦150, 000 in 1973, ₦250,000 in 1979, and ₦500,000 in 1981 but excluding cost of land (Mawoli and Sarkin-Daji, 2013) apparently to reflect the economic trends and national economic policies of the time. National Council on Industry (NCI) (1991) referred to small scale enterprises as an enterprise with total project cost of land and including working capital that does not exceed ₦5 million. NCI redefined SSEs in 1996 as an enterprise with cost (inclusive working capital but excluding cost of land) above ₦1million but not exceeding ₦40 million, with a labour size between 11 and 35 workers. NCI (2001) redefined SSEs as an enterprise that has total capital employed of over ₦1.50 million, including working capital but excluding cost of land and/or a labour size of 11 to 100 workers.

The Central Bank of Nigeria (CBN) (1988) defined small scale enterprises as the enterprises having annual turnover not exceeding ₦500, 000. Similarly, the Federal Government of Nigeria (FGN) in her 1990 budget described SSEs for the purpose of commercial bank loans as those with an annual turnover not exceeding ₦500,000 and the enterprises for merchant banks loans as those with capital investment not exceeding ₦2 million (excluding cost of land) or maximum of ₦5 million (Solomon, 2011). Section 37(2) of Company and Allied Matters Decree of 1990 regards a small company as one with an annual turnover of not more than ₦2 million, and net asset value of not more than one million naira. However, the definitions of small scale enterprises by Federal Ministry of Industries (1989) and NISER (1987) were employed for this study. Small scale enterprises would then include those enterprises with initial fixed

capital of not more than ₦500, 000 and engaged in production (manufacturing) or semi-production or repair type activities, trading and occupations, and employing a maximum of 50 people.

*Microfinance Bank:* The basic concepts upon which microfinance bank rests are micro credit and poverty alleviation concepts. According to Central Bank of Nigeria (2005), Microfinance is about providing financial services to the poor who are traditionally not served by conventional financial institutions. Three features which distinguish microfinance bank from other formal financial institutions are :(i) the smallness of their loans, advances and/or savings collected, (ii) the absence of asset-based collateral and (iii) simplicity of operations.

Microfinance Policy, Regulatory and Supervisory Framework for Nigeria issued by Central Bank of Nigeria (2005) defines a microfinance bank (MFB) as any company licensed to carry on the business of providing microfinance services, such as savings, loans, domestic funds transfer, and other financial services that are needed by the economically active poor, micro, small and medium enterprises to expand their businesses.

Justifications for the establishment of MFBs in Nigeria, as provided by the Federal Government are anchored on the following points: (i)Weak Institutional Capacity (ii) Weak Capital Base;(iii) The Existence of a Huge Un-Served Market; (iv) Economic Empowerment of the Poor, Employment Generation and Poverty Reduction; (v) The Need for increased Savings Opportunity;(vi) The Interest of Local and International Communities in Microfinance; and (vii) Utilisation of Small and Medium Enterprises Equity Investment Scheme fund (CBN, 2005).

The establishment of microfinance banks is to serve the following purposes; (i) provide diversified, affordable and dependable financial services to the active poor;(ii) mobilize savings for intermediation; (iii) create employment opportunities and increase the productivity of the active poor in the country; (iv) enhance organized, systematic and focused participation of the poor in the socio-economic development and resource allocation process; (v) provide veritable avenues for the administration of the micro credit programmes of government and high net worth individuals on the non-recourse case basis. In particular, this policy ensures that state governments shall dedicate an amount of not less than 1% of their annual budgets to on-lending activities of microfinance banks in favour of their residents; and (vi) render payment services, such as salaries, gratuities, and pension to various tiers of government(Central Bank of Nigeria, 2005).

### **Basic Features of Microfinance Bank**

CBN (2005) distinguishes microfinance banks from universal banks through the following six perspectives: minimum paid up capital, scope of activities covered by the license, limitation of credit to an indi-

vidual or company, access to public sector deposits, cheque writing accounts and geographical coverage. Table 1 states the differences in the features of microfinance banks and universal banks.

Table 1: Basic Features of Microfinance Banks and Universal Banks

Category	Criteria	Microfinance Banks Licensed to Operate in a LGA (a.k.a Community Banks)	Microfinance Banks Licensed to Operate in a State	Universal Banks
A	Minimum paid-up capital/shareholders' funds	N20.0 million (increased from N5.0 million)	N1.0 billion	N25.0 billion
B	Scope of activities covered by License	To operate within a Local Government Area; not to engage in sophisticated banking services, such as forex business	To operate within a state; not to engage in sophisticated banking services, such as forex business but can receive tenured loans and equity from abroad	To operate in national and international markets; to operate forex transactions and domiciliary accounts for customers
C	Limitation on credit to an individual company	Credit subject to a single obligator limit of 1% for an individual/corporate entity and 5% for a group	Credit subject to single obligator limit of 1% for an individual/corporate entity and 5% for a group	Single obligator limit applies
D	Limitation on deposit from an individual /company	No limit	No limit	No limit
E	Access to public sector deposits	Permitted for only micro-credit programmes on a non-recourse basis and for payment purposes	Permitted for only micro-credit programmes on a non-recourse basis and for payment purposes	Permitted
F	Cheque writing accounts	Cheque issuing customized to the correspondence bank	Cheque issuing customized to the correspondence bank	Cheque issuing permitted
G	Geographical coverage	In rural and urban areas	Must operate in both rural and urban areas within a state in a proportion prescribed by the CBN	All parts of Nigeria and foreign branches and subsidiaries

Source: Central Bank of Nigeria (2005)

There are two categories of microfinance banks (MFBs), namely: (i) Microfinance Banks licensed to operate as a unit bank (community banks). This form of MFBs can operate branches and/or cash centers subject to meeting the prescribed prudential requirements and availability of free funds for opening branches/cash centres. The minimum paid-up capital for this category of banks is N20.0 million for each branch and (ii) Microfinance banks licensed to operate in a state. This type of MFBs can operate in all parts of the state. It is a state bank. The minimum paid-up capital for this category of banks is ₦1.0 billion.

Microfinance banks are permitted to provide the following services to their clients:

- a. Acceptance of various types of deposits, including savings, times target and demand deposit from individuals, groups and associations, except public sector deposits (government);
- b. Provision of credit to its customers, including formal self-help groups, individuals and associations;
- c. Promotion and monitoring of loan usage among its customers by providing ancillary capacity building in such areas as record-keeping and small business management;
- d. Issuance of redeemable debentures to interested parties to raise funds from members of the public, with the approval of the CBN;
- e. Collection of money or proceeds of banking instruments on behalf of its customers through correspondent banks;
- f. Provision of payment services, such as salaries, gratuities, and pensions for the various tiers of government;
- g. Provision of loan disbursement services for the delivery of credit programmes of government

- agencies, groups and individuals for poverty alleviation on a non-recourse basis;
- h. Provision of ancillary services to their customers, such as domestic remittance of funds and safe custody;
  - i. Maintenance and operation of various types of account with other banks in Nigeria;
  - j. Investment of surplus funds of the MFBs in suitable instruments, including placing such funds with correspondent banks and in Treasury Bills;
  - k. Payment and receipt of interests as may be agreed between the MFBs and their clients in accordance with existing guidelines;
  - l. Operation of micro-leasing facilities, micro-finance-related hire-purchase, and arrangement of consortium lending and supervision of credit schemes to ensure access of microfinance customers to inputs for their economic activities;
  - m. Receiving of re-financing or other funds from CBN and other sources, private or public, on terms mutually acceptable to both the provider of the funds and the MFBs;
  - n. Provision of microfinance-related guarantees for MFB customers to enable them have greater access to credit and other resources;
  - o. Buying, selling and supplying of industrial and agricultural inputs, livestock, machinery and industrial raw materials to poor persons on credit and acting as agents for any association for the sale of such goods or livestock;
  - p. Investment in shares or equity of any corporate body, the objectives of which is to provide microfinance services to poor persons;
  - q. Encouragement of investment in cottage industries and income-generating projects for poor persons as may be prescribed by the CBN;
  - r. Provision of services and facilities to customers to hedge various risks relating to microfinance activities;
  - s. Provision of professional advice to poor persons regarding investments in small businesses; rendering managerial, marketing, technical and administrative advice to customers and assistance and training them in obtaining services in such fields;
  - t. Mobilizing and providing financial and technical assistance and training to micro-enterprises;
  - u. Provision of loans to microfinance clients for home improvement and consumer credits; and
  - v. Performance of non-banking functions that relate to microfinance business and development services, such as co-operatives and group formation activities, rural industrialization and other support services needed by micro enterprises ( Central Bank of Nigeria, 2005).

By the Microfinance Policy, Regulatory and Supervision Framework for Nigeria (2005), Microfinance

bank activities have been brought under the regulatory purview of the Central Bank of Nigeria. The policy provides easy access to financial services by the economically active poor. No doubt, microfinance policy, regulatory and supervisory framework for Nigeria is aimed at creating an environment of financial inclusion to boost capacity of micro, small and medium enterprises, to contribute to economic growth and development through job creation and poverty reduction, among others (Lemo, 2007).

### Research Questions

- (i) What are the socio-demographic profiles of Microfinance Bank Operators in Osun State?
- (ii) What are the socio-economic characteristics of Small Scale Entrepreneurs in the study area?
- (iii) What are characteristics of Small Scale Enterprises in the study area?

### Research Objectives

The study was designed to: (i) examine the socio-demographic profile of the microfinance bank operators in Osun State; (ii) examine the main socio-economic characteristics of small scale entrepreneurs in the study area and (iii) examine the characteristics of small scale enterprises in the study area.

### Scope of the Study

The study would be of significant to central bank of Nigeria, microfinance banks, government, small scale enterprises and members of the public in terms of array of information and empirical data provided by this research to further enhance good planning and policy implementation which could make the small scale enterprises blossom for wealth creation

### Methodology

#### Research Design

Descriptive survey design was adopted for this study. It was carried out ex-post facto, given that the variables under study were not manipulated. The method was considered appropriate because it requires clear definition of problem, collection of relevant adequate data, careful analysis and interpretation of data as well as professional recording of findings.

#### Area of the study

This study was carried out in Osun State of Nigeria. The study area was chosen based on geographical

proximity and preparedness of the respondents. The state has a population size of about 3,423,535 inhabitants representing 2.45% of Nigeria's total population according to the 2006 National census. Osun State is having 1,740,619 male and 1,682,916 female. The state is known to be semi-urban state, having a fairly mixture of rural and urban towns. There are many urban centres viz: Osogbo (State Capital), Ile-Ife, Ilesa, Ila, Ikire, Ede, Iwo among others while other towns are relatively rural (Ikhide, *et al*, 1998). This classification was based on the level of commercial activities as well as the availability and effectiveness of infrastructural facilities in the towns.

The State is bounded in the North by Kwara State, in the West by Oyo State, in the East by Ondo State and in the South by Ogun State. The main ethnic group in these states is Yoruba. Agriculture is the predominant occupation of the people in the study area. The farmers produce food crops such as yam, maize, cassava, beans and cocoyam. They also produce cash crops like cocoa, tobacco and palm produce. Artisans are part of the people in Osun State. They make hand-woven textiles, tie and dye clothes, leather works, calabash, carving and mat-weaving. However, most of the people combine such activities as trading, weaving, dying, carpentry, bricklaying among others with agricultural practice.

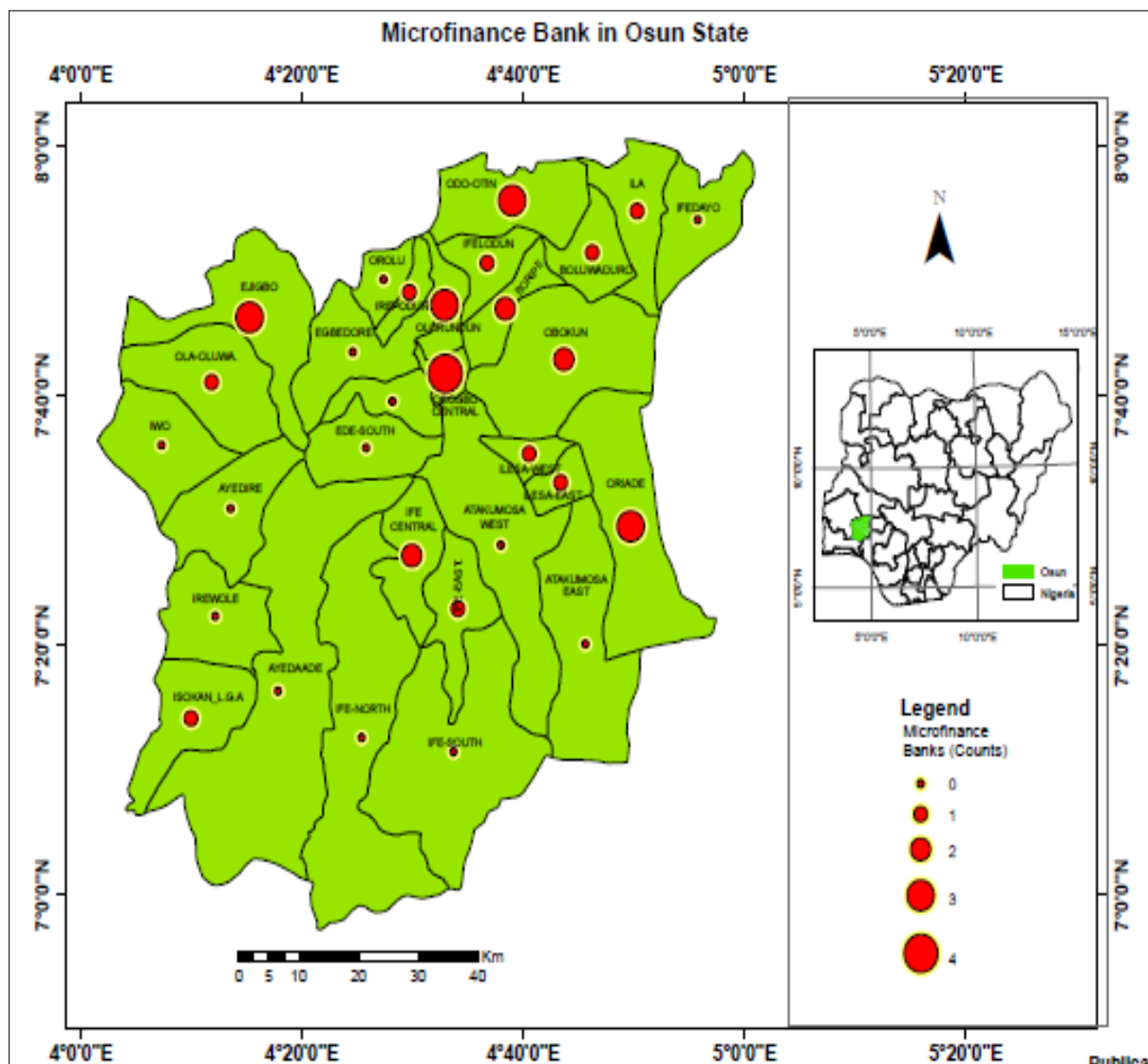


Figure 1 depicts the map of Osun State showing the area of the study area. Source: Researcher's Conceptualization, 2015

### Population for the study

Population for the study consisted of thirty (30) microfinance banks in Osun State as at 31<sup>st</sup> December, 2014 and One thousand four hundred small scale enterprises that registered with Osogbo chapter of Nigerian association of small scale industries as 31<sup>st</sup> December, 2013.

### Sample size and sampling techniques

90 management staff of the 30 microfinance banks in Osun State and four hundred and sixty five small scale enterprises was sampled using purposive and simple random sampling techniques respectively.

### Findings and Discussion

#### *Socio-Demographic Profiles of Microfinance Bank Officials in Osun State of Nigeria*

To achieve research objective one, responses of the participants (MFB officials and SSEs owners) on socio-demographic profile of microfinance bank officials and socio-economic characteristics of small scale entrepreneurs were analysed and presented in Tables 1 and 2 while characteristics of SSEs were presented in Table 3.

The result of Table 2 showed the socio-demographic profile of microfinance bank operators in Osun State.

Table 2: Socio-Demographic Distribution of Microfinance Bank Operators in Osun State

Variables		Frequency	Percentage
Sex	Male	49	62.8
	Female	29	37.2
	Total	78	100.0
Marital status	Single	8	10.3
	Married	69	88.5
	Divorced	1	1.2
	Total	78	100.0
Educational qualification	OND/NCE	6	7.7
	B/sc education	55	70.5
	M.sc/Ph.d	17	21.8
	Total	78	100.0
Hours of work per day	6-8hours	37	47.6
	9-10 hours	31	39.6
	More than 10 hours	10	12.8
	Total	78	100.0
Work experience	No experience	2	2.6
	Less than one year	3	3.8
	2-4 years	33	42.3
	5-7 years	18	23.1
	8-10 years	22	28.2
	10 years and above	78	100.0
	Total	78	100.0
Total number of employees	Less than 50	70	89.7
	50 to 100	8	10.3
	Total	78	100.0

Source: Field survey, 2015

The study targeted 90 microfinance bank officials, but only 78 responded, resulting in a response rate of 83.8% which was considered adequate for this study. The distribution of results is shown in Table 2. The table presents the personal information of the operators of Microfinance Banks. The sex distribution of the respondents showed that 49 (62.8%) of the respondents were male while 29 (37.2%) were female meaning that these banks were not gender friendly. The classification based on the marital status showed that 8 (10.3%) of the respondents were single, 69

(88.5%) were married and 1(1.3%) was divorced, meaning that most of the bankers were married. The distribution of the educational qualifications showed that 6(7.7%) were OND/NCE holders, 55(70.5%) were B.Sc. holders and 17 (21.8%) were M.Sc./Ph.D. holders meaning that majority of the bank staff hold bachelor degree. The hours of work per day showed that 37(47.7%) of the respondents worked between 6-8hours per day, 31 (39.7%) worked between 9-10 hours daily and 10(12.8%) of the respondents worked more than 10 hours per day, meaning that the micro-

finance bank staff in Osun State worked for more than 8 hours per day. The categorization of the respondents based on the work experience showed that 2(2.6%) of the respondents had less than one year work experience, 3(3.8%) had 2-4 years work experience, 33(42.3%) had 5-7 years work experience, 18(23.1%) had 8-10 years work experience and 22(28.2%) had 10 years and above work experience. The study revealed that majority of the banks' officials was experienced.

On the number of employees per bank, this study showed that 70(89.7%) of MFBs in Osun State had

less than 50 employees while 8 (10.3%) of the MFBs had between 50-100 employees in their organisations.

### ***Socio-Economic Characteristics of Small Scale Entrepreneurs in Osun State of Nigeria***

To achieve research objective two, responses of the participants (SSEs owners) socio-economic characteristics of small scale entrepreneurs were analysed and presented in Table 3 while characteristics of SSEs were presented in Table 2. It showed the socio-economic characteristics of small scale entrepreneurs in Osun State, Nigeria

Table 3 Socio-Economic Characteristics of Small Scale Entrepreneurs in Osun State, Nigeria

Variables		Frequency	Percentage
sex	Male	253	67.8
	Female	120	32.2
	Total	373	100.0
Marital Status	Single	42	11.3
	Married	305	81.8
	Divorced	13	3.5
	Widowed	13	3.5
	Total	373	100.0
Educational Qualification	No formal	9	2.4
	Primary education	68	18.2
	Secondary education	129	34.6
	OND/NCE	83	22.3
	B.Sc	75	20.1
	M.Sc/Ph.D	9	2.4
	Total	373	100.0
Hour of work per day	Less than 5	16	4.3
	6-8 hours	139	37.3
	9-10 hours	203	54.4
	More than 10 hours	15	4.0
	Total	373	100.0
Business experience	No experience	15	4.0
	Less than 1 year	25	6.7
	2-4 years	108	29.0
	5-7 years	113	30.3
	8-10 years	58	15.5
	10 years and above	54	14.5
	Total	373	100.0

Source: Field survey, 2015

SSEs owners' personal information was presented in Table 3. The study targeted 450 small scale entrepreneurs, but only 373 SSEs responded resulting in a response rate of 82.9% which was considered adequate for this study. From the table, the sex distribution of the respondents showed that 253 (67.8%) of the respondents were males while 120 (32.2%) were females meaning that men participate more than women in small scale enterprises. The finding of this study is contrary to Adegbite (2008) who found that women participate more than men in entrepreneurship and the study's finding agreed with Odebiyi and

Olaoye (2012) and Okezie *etal* (2013) results that men participate in entrepreneurship more than women. The classification based on marital status shows that 42(11.3%) were single, 305(81.8%) were married, 13(3.5%) were divorced and 13(3.5%) were widows. This study's finding agreed with Onyeneke and Iruo (2012) who reported that majority of SSEs are married; however the study result disagreed with Okezie *etal* (2013) who found majority of SSEs to be single. Educational status of the respondents showed that 9(2.4%) had no formal education, 68(18.2%) were primary school certificate holders, 129(34.6%)

were secondary school certificate holders, 83(22.3%) were OND/NCE holders, 75(20.1%) were B.Sc. / B.A. degree holders and 9(2.4%) were M.Sc./Ph.D holders. This study found that over 97% of the small scale entrepreneurs had one form of education or the other. The finding of this study is contrary to the general opinion that most businessmen were illiterates or semi-illiterates, who have dropped out of the formal school system as evidence from the studies of Odebiyi and Olaoye (2012) and Okezie *et al* (2013). However, the finding of this study agreed with Onyeneke and Iruo(2012) who found over 90% of SSEs to have had formal education. On hours of work per day, 16(4.3%) of the respondents worked for less

than 5 hours per day, 139(37.3%) worked between 6 to 8 hours per day, 203(54.4%) worked between 9 to 10 hours per day and 15(4%) worked for more than 10 hours daily.

The classification based on business experience indicated that 15 (4%) do not have any experience in the business, 25 (6.7%) had less than 1 year business experience, 108 (29.0%) had between 2 to 4 years business experience, 113 (30.3%) had between 5 to 7 years business experience, 58(15.5%) had between 8 to 10 years business experience and 54 (14.5%) had more than 10 years business experience. On the characteristics of the small scale enterprises (the firm), the firm characteristics were presented in Table 3.

Table 4: Characteristics of Small Scale Enterprises in Osun State, Nigeria

Variables		Frequency	Percentage
Year Business Established	Less than 5 years	130	34.9
	6-10 years	158	42.4
	11-15 year	31	8.3
	16-20 years	22	5.9
	20 years and above	32	8.6
	Total	373	100.0
When did you open an account with MFB/community bank?	Less than a year	57	15.3
	2-4 years ago	139	37.3
	5-7 years ago	62	16.6
	8-10 years ago	95	25.5
	Above 10 years	20	5.4
	Total	373	100.0
Type of Business Trading	Trading	88	23.6
	Artisan	64	17.2
	Manufacturing	74	19.8
	Agriculture	92	24.7
	Service	55	14.7
	Total	373	100.0
Form of Business	Sole ownership	256	68.6
	Family business	89	23.9
	Partnership	20	5.4
	Cooperative	4	1.1
	Faith based organization	4	1.1
	Total	373	100.0
Business location	Urban area	38	63.8
	Rural area	135	36.2
	Total	373	100.0
Total number of employees?	5 or less	155	41.6
	6-10	125	33.5
	10-20	53	14.2
	21-30	24	6.4
	31-40	12	3.2
	41-50	4	1.1
	Total	373	100.0
Motivation for starting a business	Financial independence	244	65.4
	Loss of job	23	6.2
	To bequeath to children	106	28.4
	Total	373	100.0

Source: Field survey, 2015



Firms' characteristics by the owners of the business were presented in Table 4.3. The classification, based on the year of business establishment, depicted that 130(34.5%) of the respondents have been in business for less than 5 years, 158(42.5%) have been in business for between 6 and 10 years, 31(8.3%) have been in business for between 11 and 15 years, 22(5.9%) have been in business for between 16 and 20 years and 32(8.6%) have been in business for 20 years and above. Also, the result showed that 57(15.3%) of the respondents have opened their accounts with MFB less than a year ago, 139(37.3%) opened their accounts between 2–4 years, 62(16.6%) opened their account between 5–7 years, 95(25.5%) opened their accounts between 8–10 years and 20(5.4%) have opened their accounts with microfinance bank for more than 10 years. The occupational distribution of the respondents showed that 88(23.6%) were traders, 64(17.2%) were artisans, 74(19.8%) were manufacturers, 92(24.7%) were agriculturalists and 55(14.7%) were service providers. The finding of this study disagreed with Muritala *et al* (2012) who found majority of SSEs in trading businesses. The categorisation based on the form of business depicted that 256(68.6%) had sole proprietorship business, 89 (23.9%) had family business, 20 (5.4%) had partnership business, 4(1.1%) had cooperative society and 4(1.1%) had faith based organization.

The location of the businesses showed that 238(63.8%) of the respondents' businesses were located in urban areas and 135(36.2%) were located in rural areas, meaning that microfinance banks in Osun State were more patronised by urban dwellers than the rural dwellers. The classification of the total number of employees depicted that 155(41.6%) had less than 5 workers, 125 (33.5%) had between 6–10 workers, 53(14.2%) had between 10–20 workers, 24(6.4%) had 21–30 workers, 12 (3.2%) had between 31–40 workers and 4 (1.1%) had 41–50 workers. The motive for establishing business showed that 244(65.4%) were for financial independence, 23(6.2%) were for loss of job and 106(28.4%) were to bequeath to children.

## Conclusion

This study seeks to examine the socio- demographic of microfinance bank officials, socio- economic characteristics of the SSEs in Osun State of Nigeria. The study found that there were more men in SSEs of Osun State than women. Similarly, there were also more men in microfinance bank operations than women.

## Recommendation

Based on the research findings and conclusion, the following policies are recommended for proper development of SSEs' activities in the state. These include;

- (i) The study examined the socio-demographic profile of the microfinance bank operators in Osun State and found that the banks were not gender friendly. Therefore there is need for gender balance among the operators of the micro finance banks as it will enhance the marketability of their products. Besides, if the male and female members of the community are equally represented in the institution, it will be easier for the institution to carry the entire community along in all their programmes and products; and
- (ii) Government should repack and reorganize micro finance banks and their products and services such that it will attract graduates and enlighten youths that are roaming the streets without a stable job in their hands. Findings in this study revealed that a small number of graduate transact business with the micro finance banks because they are not impressed by the kind of products offered by the microfinance banks. If microfinance banks are properly organised with enticing products, it will not only strengthen the existing entrepreneurs but it will raise new entrepreneurs and thus reduce unemployment.

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