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**Microcredit and Sustainable School Improvement in Port
Harcourt Metropolis, Nigeria**

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Abstract

Purpose: This study examined the relationship between microcredit and sustainable school improvement in Port Harcourt Metropolis, Nigeria.

Methodology: The study adopted the cross-sectional research survey design. Primary data was generated through structured questionnaire. Therefore, the population of the study is 918 schools. A sample Size of 279 Proprietors, Administrators and Principals was determined using the Taro Yeman's Sample Size Formula. The reliability of the instrument was achieved by the use of the Cronbach Alpha Coefficient with all the items scoring above 0.70. The hypotheses were tested using the Spearman's Rank Order Correlation Coefficient. The tests were carried out at a 0.05 significance level.

Findings: The findings of the study indicate a positive and significant relationship between microcredit and sustainable school improvement in Port Harcourt Metropolis, Nigeria. The study concludes that the availability of microcredit facilities has played a vital role in promoting the sustainability of schools in the region.

Recommendations: Therefore, the study recommends that Government agencies, financial institutions, and non-governmental organizations should collaborate to expand

access to microcredit facilities specifically tailored for educational institutions. This will enable more schools in Port Harcourt Metropolis to benefit from the positive effects of microcredit on sustainability.

Keywords: *Microcredit, Sustainable School Improvement, Port Harcourt Metropolis, Nigeria*

1.0 INTRODUCTION

Microfinance is a tailored programme for development, growth and sustainability and its recent proliferation in developing countries is largely due to its success in countries such as Bangladesh, Pakistan, Ghana and Nigeria (Ogonu & Enyioko, 2022). Moreover, empirical evidence shows that access to microfinance for the people, entrepreneurial innovators and schools helps in improving the well-being of society (Enyioko & Akawo, 2021). The existence of financial barriers in the credit market have impacted on the ability of the borrowers to access credit from conventional financial institutions (Bakare, 2017). Thus, the role of microfinance is to facilitate access to credit for productive purposes thereby, improving the wellbeing of the stakeholders concerned.

Ogonu and Enyioko (2022) advocate for more market-based regulations which would ensure affordable and accessible financing for the small businesses, schools and start-ups thereby promoting enabling environments for entrepreneurial activities. The right to education has been recognized as a human right in several international conventions, including the International Covenant on Economic, Social and Cultural Rights (Adegboye, 2021). It recognizes a right to free and compulsory primary education for all, an obligation to develop secondary education accessible to all, by the progressive introduction of free secondary education, as well as an obligation to develop equitable access to secondary education, ideally by the progressive introduction of free secondary education. The importance of education is underlined in every discussion on economic development. A pre-condition to achieving sustainable economic growth is education. A loan to the education sector by banks, financial institutions and microfinance experts is a special purpose loan available to cover the entire expense of any kind of school (Bakare, 2017).

There is much emphasis on self-reliance and wealth creation by entrepreneurs and the youths presently. Therefore, any entrepreneurial proposal/project that would augment government efforts in this regard and create employment opportunities for the entrepreneur and others is highly acceptable by all and sundry. In the light of the above background, this study seeks to examine the relationship between microfinance and sustainable school improvement in Port Harcourt Metropolis, Nigeria.

The business idea in this project seeks to establish a microfinance outfit that would be availing private schools' loans of five million-naira (N5, 000,000) maximum with a competitive interest rate and a repayment period of three (3) to six (6) months. The interest rate will be 8% flat on the reducing balance method and 5% flat on the straight-line method.

Statement of the Problem

Access to unsecured personal loans has been associated with increased incomes and financial stability in many countries around the world. There is a general assumption that access to unsecured personal loans will improve society with reference to consumption levels and better living standards of borrowers (Adegboye, 2021). The main obstacle in determining the effect of unsecured personal loans on sustainable school improvement is in establishing whether improvement is better compared to those secondary school proprietors that did not take up these loans. Previous studies on the effect of credit on household welfare have shown a positive impact. For instance, Singh and Sharma (2018) investigated the impact of credit risk on profitability and found that micro-credit utilization relates to household income in India. This study seeks to address the research problem: What is the relationship between microfinance (microcredit and dynamic lending scheme) and sustainable school improvement in Port Harcourt Metropolis? The objectives of the study include:

- i. To determine the extent to which microcredit relates to school sustainability in Port Harcourt
- ii. To ascertain the extent to which microcredit relates to school improvement in Port Harcourt

2.0 LITERATURE REVIEW

Theory of Financing Advantage

According to the financial advantage idea of trade credit, suppliers may have an advantage over traditional lenders in determining the creditworthiness of their customers, as well as a superior ability to monitor and enforce credit repayment (Tuladhar, 2017). In extending credit to a buyer, the seller may have a cost advantage over financial institutions because of the financing advantage (Schwartz, 1974). Gaining knowledge, influencing the buyer, and salvaging the value of existing assets are all cost advantages offered to the credit supplier. The incapacity of a buyer to take advantage of early payment reductions may disclose the extent of his creditworthiness and serve as a red flag (Chaudhury, 2020). This study will use the theory of financing advantage to underpin the work.

Microcredit

Microcredit is the provision of unsecured small loans to micro-entrepreneurs who need credit to invest in a small business but have limited or no access to traditional credit. The core activity of microcredit programs is to supply micro-loans (Bakare, 2017). Micro-loans are different from conventional loan products in at least three aspects: 1. They target marginalized individuals in the community. All microcredit programs have the objective of delivering credit to individuals in a disadvantaged or marginalized social and economic position in the communities in which the programs operate. 2. They focus on income-generating activities (Kamal, 2021). Micro-loans are intended to generate income for borrowers. The creation and development of local businesses is the goal and the provision of credit is the means for achieving this goal. 3. They provide small amounts of unsecured loans. Microcredit programs deliver small loans. There is usually an upper limit on the size of such loans which varies across programmes (Bakare, 2017; Adegboye, 2021; Kamal, 2021).

Concept of Sustainable School Improvement

School Sustainability

Heargreaves and Fink (2000) noted that —Sustainability does not simply mean whether something will last. It addresses how particular initiatives can be developed without compromising the development of others in the surrounding environment now and in the future (p. 30). Focusing on system thinking, Fullan (2005) argued that —Sustainability is the capacity of a system to engage in the complexities of continuous improvement consistent with deep values of human purpose (p. ix). To define sustainability, Copland (2003) stated that, —Becoming sustainable meant schools needed to find ways to embed their reform work, and especially their inquiry process, into the culture of the school (p. 393).

School Improvement

School Improvement A widely accepted definition of school improvement emerged from the Organization for Economic Cooperation and Development (OECD) sponsored International School Improvement Project (ISIP), where Velzen et al. (1985) incorporated research findings into this comprehensive definition: —A systematic, sustained effort aimed at a change in learning conditions and other related internal conditions in one or more schools, with the ultimate aim of accomplishing educational goals more effectively (p. 48).

3.0 METHODOLOGY

The research design to be applied in this study is the cross-sectional survey research design. When the data are obtained, they will be treated in a logical and statistical way. The population of this study comprises all the proprietors and principals of private schools in Port Harcourt Metropolis. The data from the Rivers State Schools Management Board (2021), revealed that there are 152 fully approved and accredited private schools in Port Harcourt and 766 fully approved and accredited private schools in Obio/Akpor Local Government Areas. Therefore, the population of the study is 918 schools. Taro Yeman’s Sample Size Formula the sample was determined as follows: $n = N/1 + (e)^2$ the sample Size = 279 Proprietors, Administrators and Principals. The reliability was verified by conducting a confirmatory test of internal consistency on the instrument with our sample, using the Cronbach alpha that was computed with the SPSS software to accept only the result of 0.7 and above. The hypotheses were tested using the Spearman’s Rank Order Correlation Coefficient. The tests were carried out at a 0.05 significance level.

Table 1: Reliability Scores

SN	Variables	Number of Items	Cronbach’s alpha coefficient
1	Disruptive Innovation	4	0.789
2	Customer Acquisition	4	0.876
3	Brand Presence	4	0.823
4	Revenue Growth	5	0.797

Source: SPSS Output

4.0 FINDINGS

The Primary data to investigate this position was sourced with questionnaire that was administered to 263 respondents with various level of work experience from two Local Government Areas in Rivers State, Nigeria and the sample selection comprised of School Bursars, Principals, School Administrators, Vice Principals and Proprietors in Private Primary and Secondary Schools. The random sample method was adopted for sampling the population.

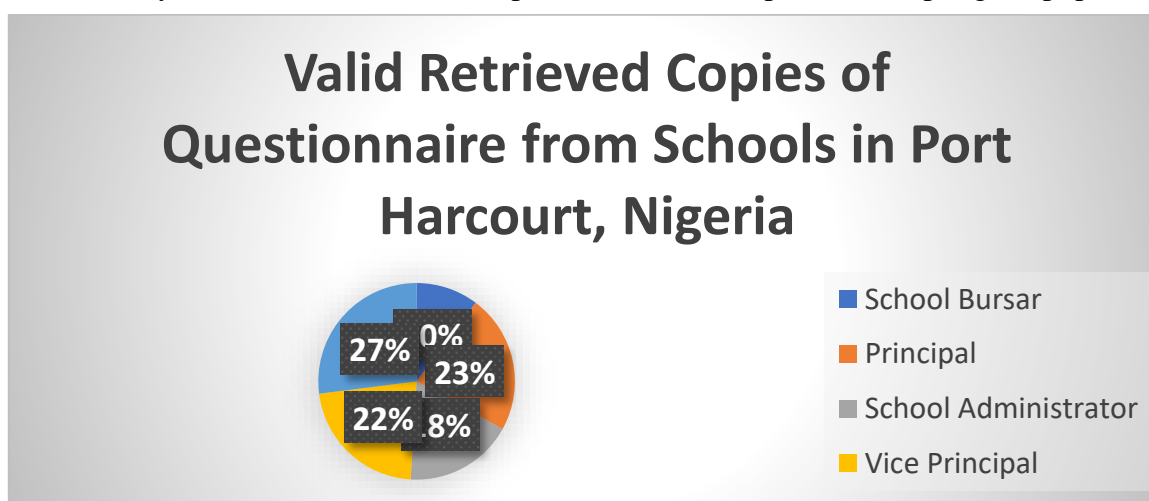


Figure 1: Data for the Valid Retrieved Copies of Questionnaires in Port Harcourt

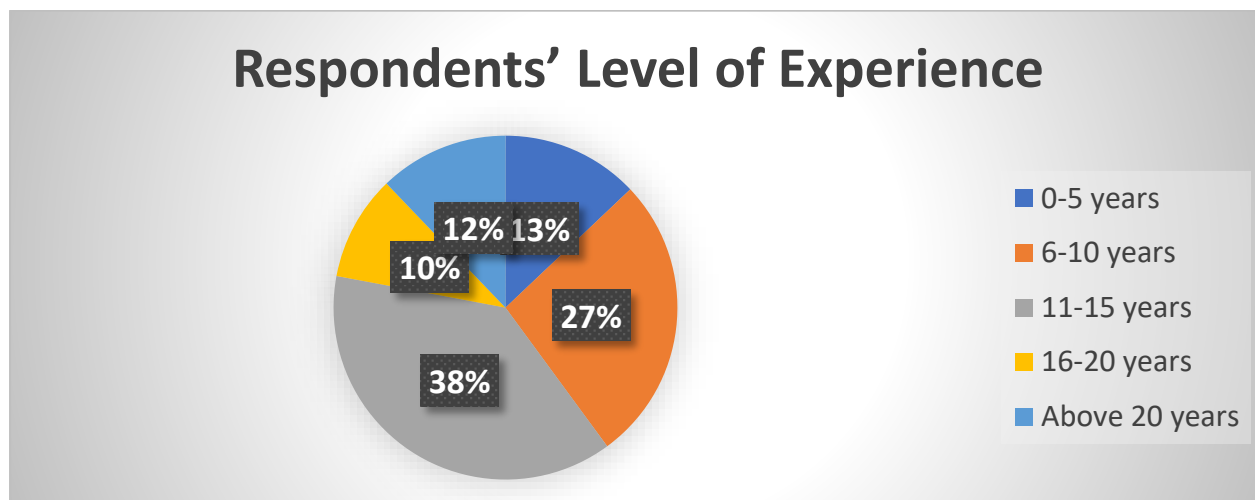


Figure 2: Data for Respondents Level of Experience in Port Harcourt

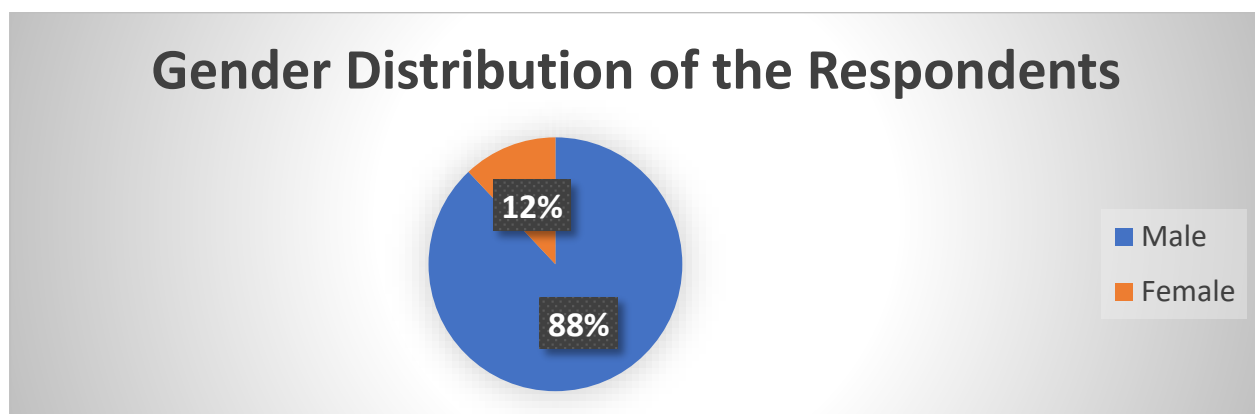


Figure 3: Data for Gender Distribution of Respondents in Port Harcourt

Hypotheses Testing

H₀₁: There is significant relationship between microcredit and school sustainability in Port Harcourt Metropolis

Table 2: Results of Microcredit and School Sustainability in Port Harcourt Metropolis

Statistics	Microcredit (Mc)	School sustainability (SS)
Pearson correlation		0.764**
Microcredit (Mc)		0.000
Sig(2-tailed)		
N		263
Pearson correlation- School sustainability'	0.764**	
(SS)	0.000	
Sig(2-tailed)		
N	263	

**correlation is positive and significant at the 0.05 level (2-tailed)

Source: Survey Data, 2022 and SPSS Window Output, Version 22.0

Table 2 shows a Spearman Rank Order Correlation Coefficient (rho) of 0.764 on the relationship between microcredit and school sustainability. This value implies that a strong relationship exists between the variables. The direction of the relationship indicates that the

correlation is positive; implying that an increase in school sustainability was as a result of the microcredit. Table 1 also shows the statistical test of significance (p-value) which makes possible the generalization of our findings to the study population. From the result obtained the sig- calculated is less than significant level ($p = 0.000 < 0.05$). Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between microcredit and school sustainability in Port Harcourt Metropolis. Microcredit boosts economic development of an organization, this agrees with Bakare (2017) who investigated the impact of microfinance as a means to in buildup capital and reduce poverty especially when they are judicious.

H₀₂: There is significant relationship between microcredit and school improvement in Port Harcourt Metropolis

Table 3: Results of Microcredit and School Improvement in Port Harcourt Metropolis

Statistics	Microcredit (Mc)	School Improvement (SI)
Pearson correlation		0.748**
Microcredit (Mc)		0.000
Sig(2-tailed)		
N		263
Pearson correlation	0.748**	
School improvement (SI)	0.000	
Sig(2-tailed)		
N	263	

**correlation is positive and significant at the 0.05 level (2-tailed)

Source: Survey Data, 2022 and SPSS Window Output, Version 22.0

Furthermore, Table 3 shows a Spearman Rank Order Correlation Coefficient (rho) of 0.748 on the relationship between microcredit and school improvement. This value implies that a strong relationship exists between the variables. The direction of the relationship indicates that the correlation is positive; implying that an increase in school improvement was as a result of the microcredit. Table 2 also shows the statistical test of significance (p-value) which makes possible the generalization of our findings to the study population. From the result obtained the sig- calculated is less than significant level ($p = 0.000 < 0.05$). Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between microcredit and school improvement in Port Harcourt Metropolis Microcredit needs to be complemented by owner’s equity fund that came out of commitment and resilience in entrepreneurial activities (Enyioko & Akwaowo 2021). Microcredit has a positive significant effect on the performance of small and medium enterprises (Jhamb & Jhamb 2017).

5.0 CONCLUSION AND RECOMMENDATION

In conclusion, the findings of our study reveal a significant relationship between microcredit and school sustainability in Port Harcourt Metropolis. The availability of microcredit facilities has played a vital role in promoting the sustainability of schools in the region. This relationship is crucial as it highlights the positive impact that microcredit can have on educational institutions and their ability to thrive and provide quality education. Microcredit has provided schools in Port Harcourt Metropolis with the necessary financial resources to address various sustainability challenges they face. Through microcredit, schools have been able to improve infrastructure, purchase essential equipment, and invest in educational resources. These

financial injections have not only enhanced the learning environment but have also positively influenced the overall quality of education provided.

Therefore, based on the foregoing conclusion, the following recommendations were made:

- i. Government agencies, financial institutions, and non-governmental organizations should collaborate to expand access to microcredit facilities specifically tailored for educational institutions. This will enable more schools in Port Harcourt Metropolis to benefit from the positive effects of microcredit on sustainability.
- ii. Implement financial literacy programs targeted at school administrators, teachers, and other stakeholders involved in managing school finances. These programs should focus on building skills in budgeting, financial planning, and effective utilization of microcredit funds. By enhancing financial literacy, schools can maximize the benefits derived from microcredit and make informed financial decisions.

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