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**SOCIAL SCIENCE AND HUMANITIES**

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**Manuscript info:**

*Received July 11, 2018., Accepted August 21, 2018., Published August 30, 2018.*

**ASSESSMENT OF LIFT ABOVE POVERTY  
ORGANISATION (LAPO) SERVICES IN ALLEVIATING  
POVERTY AND PROMOTING ECONOMY  
DEVELOPMENT IN LAGOS STATE, NIGERIA.**

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<http://dx.doi.org/10.26739/2573-5616-2018-8-3>

**Abstract:** This study investigates on how Lift Above Poverty Organisation (LAPO) has been able to render their services in alleviating poverty and promote economy development in both rural and urban communities, three (3) research questions and hypothesis was raised tested at 0.05 significance level. The population of study consists of all the members of the five (5) functioning LAPO branches, operating in five (5) rural communities, in Morogbo and Badagry, Two (2) branches were sampled and the sample size for this study was 100 respondents, r-value of 0.72 was obtained as the reliability and all data collected from the study were analyzed basically through inferential statistics (Chi- square) for testing the hypotheses. Result shows that majority of LAPO clients in the communities studied attested to accessing their services, while the depth in the outreach of such services was reasonably high, going by industrial standard. Key challenges of LAPO noted include the remoteness of the domains of clients and the associated high cost of reaching them, high interest on loan, irregularity of group meetings, smallness of loan size, and low savings mobilization amongst others. It was recommended among others that capacity-building activities of LAPO to the affiliated credit-groups should be upstaged through training, particularly on small business operations, regular monitoring and evaluation of their funded activities to ensure compliance to loan repayment.

**Key words:** LAPO branches, Nigeria, poverty, alleviation, development, empowerment.

**Recommended citation:** Akinbowale A. Olakunle, Idowu Emmanuel Deji. Assessment of lift above poverty organisation (lapo) services in alleviating poverty and promoting economy development in lagos state, Nigeria. 7-8 American Journal of Research P. 20-29 (2018).

## INTRODUCTION

The requirement of mankind for sufficient functioning in any society is "FUND". An individual who does not have sufficient fund to meet up with is basic of human survival including feeding, clothing and housing is considered to be in the category classified as poor. Small and medium financial institution which can be otherwise called Microfinance are organizations that ensures the active poor in the rural and urban areas improve their standard of living through coordinated economy activities microfinance that provide financial services to low income, poor and very poor self-employed people. These financial services according to (L?ger wood, 1999) generally include savings and credits but can also include financial services such insurance payment service.

Microfinance is the provision of financial service, such as loans, savings, insurance, and money transfer and payment facilities to low income groups. It could also be used for productive purpose such as investment, seeds or additional working capital for micro enterprises and individual. On the other hand, it could be used to provide immediate family expenditure such as food, education, housing and health. Microfinance is an active way for poor people to increase their economy security and thus reduce poverty. It enables poor people to manage their limited financial resources, reduce the impact of

economy shock and increase their asset and income (Robinson, 2001).

Microfinance is no longer an experiment or a wish, it is proven success. It has worked successfully in many parts of the world Africa, Asia, Latin-America and North America. It is save and profitable; indeed it is the oldest and most resilient financial system in history. The key issues in microfinance include the realization that poor people needs a variety of financial services, including loans, savings, money transfer and insurance which microfinance provides. It is a power tool to fight poverty through building of asset and serving as an absorber against external ties and financial shocks. Microfinance involves building of financial sub-system which servers the poor and it architecture could be easily integrated into the financial system of the nation.

The other key issues of microfinance are the fact that it can pay for itself and should do so if it is to reach a large number of poor people. Microfinance is not limited to only micro-credit; it is inclusive of other financial services, such as micro-insurance, money transfer and saving. Furthermore, Donor fund are meant only the support and assist Microfinance institution not compete with them.

Omofonmwan and Odia (2009), emphasis that NGO's evolves from experience, interest and innate zeal to respond to societal needs. In same manner as the Lift Above Poverty

Organization (LAPO) evolved. In 1980, Nigeria experienced increased in spread intensity of poverty. In context the organization (Lift Above Poverty Organization) was founded as a nonprofit entity by Mr. Godwin Eligianusoe while working as rural cooperative officer in Delta State. Mr. Godwin filled with the vision and passion endorsed Lift Above Poverty Organization (LAPO) in 1987 and was formally incorporated as a nonprofit and non-governmental organization in 1993. Then Lift Above Poverty Organization (LAPO) as a microfinance focus on assisting the poor especially the woman in improving their socio economy status. It does not only act as a micro-credit institution but also assist clients in overcoming problem beyond lack of fund such as illiteracy any and environmental degradation.

### **STATEMENT OF THE PROBLEM**

Effectively addressing the issues of poverty is a major challenge as a great percentage of the populace particularly in rural areas live in abject poverty. In a Central Bank (CBN) survey, only about 1.5million poor was reached by microfinance institution (NFI) out of about 140million Nigerians. (CBN2003). According to Anyanwu (2004), financial outreach is a major challenge of poverty alleviation. The outreached program is traced to paucity of fund to meet the ever increasing demand for micro credit.

LAPO has involved itself in micro business management to enhance better utilization and efficient fund management through training and has provided opportunity for the poor to learn certain skill such as sewing, food processing, confectionary, soap making and a host of other income generating activities to alleviate poverty. (Jekayinfa 2010).

### **RESEARCH QUESTIONS**

The major research questions in this research are:

I. To what extent is LAPO services assessed by the poor?

II. Is the interest rate on loan provided by LAPO ascertainable and favorable to the poor?

III. Has LAPO had any significant effect on improving the standard of living of the communities in Badagry?

### **HYPOTHESIS OF THE STUDY**

To ensure that the aforementioned specific objectives carefully addressed, the understated hypothesis are tested.

**Ho1:** LAPO services are not significantly assessed by the rural poor in Badagry communities.

**Ho2:** There is no significant depth in the outreach of LAPO to the rural poor in Badagry communities.

**Ho3:** Has LAPO had any significant effect on improving the standard of living of the communities in Badagry.

## **METHODOLOGY**

### ***Research Design***

This section covers the description of the type of survey adopted in the study. It is expected to define the population the sample size as well as the sampling technique adopted in selecting the sample size. Sources of data collection, data analysis and data presentation are part of research design. This research is designed to review and certify the services render by LAPO to small scale business and individual customers. The purpose is to access the role of such services in alleviating poverty and promoting economy development. Lagos state (Badagry&Morogbo) constitutes the scope of field survey. Questionnaire was administered in a survey conducted among the Lift Above Poverty Organization (LAPO) staff and their customers in Badagry and Morogbo Lagos State.

### **AREA OF THE STUDY**

This study was conducted in Ibereko and Morogbo, Lagos state. The study groups are located at Badagry and Morogbo, Lagos state. Badagry (traditionally Gbagle) is a coastal town and local government area (LGA) in Lagos state, Nigeria. It is situated between the city of Lagos, and the border with Benin at Seme. As of the preliminary 2006 census results, the municipality had a population of 241,093. Badagry subsists largely on fishing and agriculture, and maintains a small

museum of slavery. The town inhabits dwellers from all over the country doing different business in town. Some trade in clothing, food items, used cars from overseas and other imported goods. The town is just few kilometers from Seme borders to Republic of Benin and generates the highest Nigeria duties income till date.

### **POPULATION**

Population refers to the total number of possible respondents for which the sample will be drawn from. The population of study consists of all the members of the five (5) functioning LAPO branches, operating in five (5) rural communities, in Morogbo and Badagry. Two (2) branches were sampled and they include those in Ibereko and Morogbo communities.

### **SAMPLING TECHNIQUE AND SAMPLE SIZE**

The sampling technique used is purposive sampling technique, while the sample size for this study was 100 respondents. The respondents were actually a reasonable selection from the total population to make up a sample size. According to Osuala (1982) sampling techniques makes possible the conduct of relatively difficult studies by selecting representative units from the population so result can be used to draw inference about the total population.

### RESEARCH INSTRUMENT

The research instrument was administered by the researcher at a group meeting of LAPO clients and as well to LAPO staff through the assistance of the branch managers. Section A is based on their bio data whereas Section B contains questions on the variables observed. The questionnaire scale adopted for the purpose of the study is the 4-point Likert scale, where all that is needed is for the respondents to tick their suitable options from Strongly Agreed (SA), Agree (A), Disagree (D), and Strongly Disagree (SD).

### VALIDITY AND RELIABILITY TEST

The questionnaire was corrected and validated by 2 experts in department of vocational and technical education all from university of Benin, Benin City. The questionnaire was subjected to test-re-test method and r- value of 0.72 was obtained.

*Table 1: Distribution of Gender*

RESPONDENTS	NUMBER OF RESPONSE	PERCENTAGE
Male	25	25%
Female	75	75%
<b>Total</b>	<b>100</b>	<b>100%</b>

Table above shows that 25 respondents representing 25% were male while 75% respondents

### METHOD OF DATA COLLECTION

The ultimate aim of every research is to find solutions to identified problems of the subject of study. This can only be achieved through the collection of reliable data. Therefore, data were collected from both primary and secondary sources.

### METHOD OF DATA ANALYSIS

All data collected from the study were analyzed basically through inferential statistics (Chi- square) for testing the hypotheses.

### RESULT AND DISCUSSION

The analysis was based on the information collected using a structured questionnaire. The presentations of responses from the respondents were given in table and are also interpreted. A total of one hundred questionnaire were distributed of which were filled and used for the study. The data collected were analyzed based on each research question.

representing 75% were female. From the analysis above, the female form the majority of the respondents.

**Table 2: Distribution of Educational Background**

RESPONDENTS	NUMBER OF RESPONSE	PERCENTAGE
FSLC	35	35%
WAEC/GCE/NECO	45	45%
HND/B.sc	15	15%
M.sc/PhD	5	5%
<b>Total</b>	<b>100</b>	<b>100%</b>

The table above shows that respondents for FSLC were 35%, WAEC/GCE/NECO respondent were 45%, HND/B.sc respondents were 15%, while PhD respondents were 5%.

**Table 3: Distribution of Occupation**

RESPONDENTS	NUMBER OF RESPONSE	PERCENTAGE
Trader	60	60%
Farmer	10	10%
Artisan	15	15%
Civil Servant	5	5%
Retiree	10	10%
<b>Total</b>	<b>100</b>	<b>100%</b>

Table 3 indicates that 60% fell within the traders, 10 respondents representing 10%, were within the farmers. 15% fell within the artisan. Civil servant has a total responses of 5 and a percentage of 5%, and 10 respondent representing 10% fell within the retiree respectively.

**Table 4: Distribution of Years Spent with LAPO**

RESPONDENTS	NUMBER OF RESPONSE	PERCENTAGE
1-5	30	30%
6-10	40	40%
11-15	17	17%
16-20	10	10%
21-25	2	2%
26-30	1	1%
<b>Total</b>	<b>100</b>	<b>100%</b>

Table 4 indicates that 30% fell within the range of 1-5 years. 40 respondents representing 40%, were within the range of 6-10 years. 17% fell within the range of 11-15 years. 16-20 years has a total responses of 10 and a percentage of 10%, 2% fell within the range of 21-25 years and 1 respondent representing 1% fell within the range of 26-30 years respectively.

***RQ 1: To what extent is LAPO services assessed by the poor?***

<i>S/N</i>	<i>Statement</i>	<i>SA</i>	<i>A</i>	<i>D</i>	<i>SD</i>	<i>TOTAL</i>
1.	LAPO interest charges are too high for their services	30	30	20	20	100
2.	Should LAPO charge higher interest rate than main stream banks	10	20	20	50	100
3.	All loan collected by members are always collateralise	40	30	15	15	100
4.	Should LAPO attend to only the poor?	35	25	25	15	100
5.	In our opinion, do you customer of LAPO repay loan promptly	70	10	10	10	100
<b>Total</b>		<b>185</b>	<b>115</b>	<b>90</b>	<b>110</b>	<b>500</b>

**Where:**

O = Observed Value

E = Expected Value

CX2 = Calculated Chi-Square Table

DF = Degree of Freedom

Rows = 5-1=4

Columns = 4-1=3

i.e Rows x Columns = 4x3=12

SA = Strongly Agree

A = Agree

D = Disagree

SD = Strongly Disagree

Formula =  $\frac{\text{Row Total} \times \text{Column Total}}{\text{Total Number}}$

(This formula is applicable to all)

***RQ1 Summary chi-square is presented below***

<b>RESPONSE</b>	<b>TOTAL RESPONDED</b>	<b>DIFFERENCE</b>	<b>SIGN LEVEL</b>	<b>CALX2</b>	<b>TABX2</b>	<b>DECISION</b>
SA	240					
A	100					
D	55	12	0.05	116.6	28.3	<i>Rejected</i>
SD	75					
<b>TOTAL</b>	<b>500</b>					

**DISCUSSION OF FINDINGS**

Table above shows that five questions were analysis and the calculated value of 11.6 were gotten and since the calculated value is

greater than the value 28.3 therefore, the hypothesis was rejected. This implies that, LAPO services are easily accessed by the poor.

***RQ 2: Is the interest rate on loan provided by LAPO ascertainable and favorable to the poor?***

<b>S/N</b>	<b>Statement</b>	<b>SA</b>	<b>A</b>	<b>D</b>	<b>SD</b>	<b>TOTAL</b>
1.	The success of small and medium business lies in LAPO and not big banks	70	10	10	10	100
2.	Small and medium scale businesses have benefitted from LAPO in Morogbo-Badagry	80	10	10	5	100
3.	There is always an increase in your profit after you are given fund by LAPO	5	5	40	50	100
4.	LAPO promotes small and medium enterprises than other micro finance Banks	60	30	5	5	100
5.	LAPO provides other services such as money transfer ,savings etc	25	20	30	25	100
	<b>Total</b>	<b>240</b>	<b>75</b>	<b>90</b>	<b>95</b>	<b>500</b>

***RQ2 Summary chi-square is presented below***

<b>RESPONSE</b>	<b>TOTAL RESPONDED</b>	<b>DIFFERENCE</b>	<b>SIGN LEVEL</b>	<b>CALX2</b>	<b>TABX2</b>	<b>DECISION</b>
SA	185					
A	115					
D	90	12	0.05	99.4	28.3	<i>Rejected</i>
SD	110					
<b>TOTAL</b>	<b>500</b>					



**DISCUSSION OF FINDINGS**

In line with the above table, a total of five questions were asked and analyzed. The analysis expressed above confirmed it that calculated value is greater than the table value. Since the calculated

value 99.4 is greater than the critical clue square value 28.3 at the significant level of 0.05. Therefore, the hypothesis is rejected. This implies that, the interest rates on loan provided by LAPO are favorable to the poor.

***RQ 3: Has LAPO had any significant effect on improving the standard of living of the communities in Morogbo-Badagry?***

S/N	Statement	SA	A	D	SD	TOTAL
1.	The introduction of LAPO in Morogbo-Badagry has reduces the poverty level in the community	70	20	5	5	100
2.	LAPO has improve the lives of the low-income group in Morogbo-Badagry	70	20	5	5	100
3.	Many LAPO members use loan collected to pay their children school fees	50	30	10	10	100
4.	LAPO is an indispensable tool for improving the standard of living of the people of Morogbo-Badagry community	30	20	20	30	100
5.	Other life improving programs are always organized by LAPO	20	20	15	45	100
<b>Total</b>		<b>240</b>	<b>110</b>	<b>55</b>	<b>95</b>	<b>500</b>

***RQ 3 Summary chi-square is presented below***

RESPONSE	TOTAL RESPONDED	DIFFERENCE	SIGN LEVEL	CALX2	TABX2	DECISION
SA	240					
A	110					
D	55	12	0.05	115.9	28.3	Rejected
SD	95					
<b>TOTAL</b>	<b>500</b>					

**DISCUSSION OF FINDINGS**

In conjunction with the information gather from the table, five questions were asked which are related to the third hypothesis. The calculate chi-square is more than the critical value of chi-square. The calculated chi-square is 115.9 which

are more than the table value of 28.3 since the calculated chi-square is more than the table value, therefore, the hypothesis is rejected. This implies that, LAPO has a significant effect on improving the standard of living of the community in Morogbo-Badagry.

## CONCLUSION

The activities of LAPO are funded mainly through its mobilized savings from members, grants and loans from financial institutions, whereas it delivers its services through group contacts, educational fore and meetings. Majority of LAPO clients in the communities studied attested to accessing their services, while the depth in the outreach of such services was reasonably high, going by industrial standard. Key challenges of LAPO noted include the remoteness of the domains of clients and the associated high cost of reaching them high interest on loan. Irregularity of group meetings, smallness of loan size, and low savings mobilization amongst others.

## RECOMMENDATION

*In time with the outcome of the study the researches herewith recommends for the strengthening of LAPO guest to eradicating poverty the following:*

– Capacity-building activities of LAPO to the affiliated credit-groups should be upstaged through training, particularly on small business

operations, regular monitoring and evaluation of their funded activities to ensure compliance to loan repayment.

– The leverage gap between interest on savings and credit should be re-examined. Deduction from the study indicates complaints of low interest on savings as well as high interest on loans by client. A fair and accommodating balance through participating dialogue should be reached between LAPO and their clients.

– LAPO should re-assess the size of their loan in line with the progressive capacity of their client. Credit-users are better motivated with availability loans, so long as they are performing.

– Irregularity of group meetings shows signs of weak leadership and group organization. This challenge appeared evident in the study. LAPO should step-up the leadership development and organization of its credit-groups.

– Efforts should be made to strengthen communication between LAPO client and its host communities, to raise more awareness and access to the lendable programs of LAPO.

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