



# ASSESSING THE EFFORTS OF GOVERNMENT AND DEVELOPMENT ORGANIZATIONS TO ADDRESS THE FINANCING NEEDS OF RURAL ENTREPRENEURS IN YOBE STATE, NIGERIA

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## ABSTRACT

*This study evaluates the initiatives undertaken by government agencies and development organizations to meet the financing requirements of rural entrepreneurs in the state. The research examines the effectiveness of various programs, policies, and financial instruments designed to support rural businesses and stimulate economic growth in non-urban areas. Through analysis of quantitative data and qualitative interviews with stakeholders, the study assesses the impact of these efforts on rural entrepreneurship, identifying both successful approaches and areas for improvement. The findings provide insights to inform future policy decisions and optimize resource allocation to better serve the financial needs of rural entrepreneurs.*

**Keywords:** Government and development, organization, financing need, entrepreneur, Yobe state

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## 1.0 Introduction

Rural entrepreneurship plays a crucial role in economic development, job creation, and poverty alleviation in developing regions (Pato & Teixeira, 2016). However, rural entrepreneurs often face significant challenges in accessing financial resources, which can hinder their growth and sustainability (Zhao et al., 2019).

In recent years, governments and development organizations have recognized the importance of supporting rural entrepreneurship through various financing initiatives. These efforts aim to bridge the urban-rural divide in access to capital and stimulate economic activity in non-urban areas (Mukherjee & Mukhopadhyay, 2022).

Despite these initiatives, the effectiveness of such programs in meeting the diverse financing needs of rural entrepreneurs remains a topic of debate. Previous studies have highlighted the complexities of rural financial markets and the unique challenges faced by entrepreneurs in these areas (Knieling & Fellner, 2018).

This study builds upon existing literature by examining the specific context of (Pato & Teixeira, 2016), where rural entrepreneurship has been identified as a key driver of economic development. By assessing the impact of current financing efforts, this research aims to contribute to the ongoing discourse on rural development and inform future policy decisions. Rural entrepreneurship is crucial for economic development in Yobe State, Nigeria, but rural entrepreneurs face significant challenges in accessing adequate and affordable financing. The Yobe State government and development organizations have implemented various initiatives and programs to support the financing needs of rural entrepreneurs, but there are concerns

about the awareness, accessibility, utilization, and long-term impact of these financing support mechanisms, particularly in the remote and underserved rural areas of the state. Additionally, the coordination and integration of the various government and development organization efforts remain a significant challenge, leading to potential duplication of efforts, gaps in coverage, and inefficient use of resources. This study aims to assess the effectiveness and reach of the government and development organization initiatives in addressing the financing needs of rural entrepreneurs in Yobe State, identify key challenges and limitations, and explore opportunities for enhancing the accessibility, sustainability, and impact of rural entrepreneurial financing in the state. This study is structured into five sections. The first section is the introduction. The second section includes the literature review, theoretical review, empirical review. Section three pertains to the technique, section four encompasses the results, interpretation, and discussion of findings, and section five encompasses the conclusion.

### 1.1 Objectives of the Study

- i. To examine the effect of financial awareness on support initiatives of rural entrepreneurs in Yobe State.
- ii. To assess the effect of financial accessibility on support initiatives of rural entrepreneurs in Yobe State.
- iii. To investigate the effect of financial utilization on support initiatives of rural entrepreneurs in Yobe State
- iv. To determine the effect of financial perceived impact on support initiatives of rural entrepreneurs in Yobe State.

### 1.2 Hypotheses of the Study

- i. Financial awareness has no significant effect on support initiatives of rural entrepreneurs in Yobe State.
- ii. Financial accessibility has no significant effect on support initiatives of rural entrepreneurs in Yobe State.
- iii. Financial utilization has no significant effect on support initiatives of rural entrepreneurs in Yobe State.
- iv. Financial perceived impact has no significant effect on support initiatives of rural entrepreneurs in Yobe State.

## 2.0 Literature Review

### 2.0.1 Challenges Faced by Rural Entrepreneurs in Accessing Financing

Rural entrepreneurs in developing countries often face significant barriers in accessing the necessary financing to start, grow, and sustain their businesses. One of the primary challenges is the lack of collateral (Bercovitz & Feldman, 2008; Jain & Sharma, 2013). Due to the limited asset ownership in rural areas, many entrepreneurs struggle to meet the collateral requirements set by traditional financial institutions, making it difficult for them to secure loans or other forms of credit (Akanji, 2006; Okpara, 2011).

In addition to the collateral issue, rural entrepreneurs often have limited financial literacy and knowledge about available financing options (Bruton et al., 2011; Okpara & Wynn, 2007). The lack of financial education and access to financial services in rural areas can hinder entrepreneurs' ability to navigate the complex application processes and understand the terms and conditions of different financing instruments (Banerjee & Duflo, 2007; Mano et al., 2012).

Furthermore, the inadequate infrastructure in many rural regions, such as poor transportation networks, limited access to electricity, and underdeveloped telecommunications, can pose significant challenges for rural entrepreneurs in accessing financing (Akpan et al., 2013; Krueger et al., 2000). These infrastructure constraints can limit the ability of rural entrepreneurs to engage with financial institutions, access relevant information, and effectively manage their businesses (Addai & Egyir, 2013; Mano et al., 2012).

## **2.0.2 Initiatives and Programs Implemented by the Yobe State Government to Support Rural Entrepreneurial Financing**

The Yobe State government has implemented several initiatives and programs aimed at addressing the financing needs of rural entrepreneurs in the state. These efforts include the establishment of loan guarantee schemes, subsidies, and grant programs (Yobe State Ministry of Commerce and Industry, 2020; Yobe State Development Corporation, 2021).

### **Types of Financing Schemes**

The Yobe State government has introduced loan guarantee schemes to help rural entrepreneurs access credit from formal financial institutions. These schemes provide partial collateral coverage, reducing the risk for lenders and increasing the eligibility of rural entrepreneurs (Yobe State Ministry of Finance, 2019; Yobe State Development Bank, 2022).

The government has also implemented subsidized loan programs and grant initiatives to support the start-up and expansion of rural businesses. These financing schemes often target specific sectors or demographic groups, such as women-led enterprises and youth-owned ventures (Yobe State Ministry of Agriculture, 2021; Yobe State Poverty Alleviation Agency, 2022).

### **Eligibility Criteria and Application Processes**

The eligibility criteria for the government's rural entrepreneurial financing programs vary, but typically include factors such as the location of the business, the size of the enterprise, and the target beneficiaries (Yobe State Ministry of Commerce and Industry, 2020). The application processes often involve submitting business plans, financial statements, and other documentation to the relevant government agencies (Yobe State Development Corporation, 2021).

### **Awareness and Utilization of These Programs**

Despite the government's efforts, the awareness and utilization of these financing programs among rural entrepreneurs in Yobe State remain relatively low. A recent survey conducted by the Yobe State Chamber of Commerce and Industry (2022) found that only about 30% of rural entrepreneurs were aware of the available government financing schemes, and even fewer had successfully accessed the support.

## **2.0.3 Efforts by Development Organizations to Address the Financing Needs of Rural Entrepreneurs in Yobe State**

In addition to the government initiatives, various development organizations, including non-governmental organizations (NGOs) and international donors, have also implemented programs to support the financing needs of rural entrepreneurs in Yobe State.

## **Microfinance Institutions and Their Impact on Rural Entrepreneurship**

Microfinance institutions (MFIs) have played a significant role in providing access to credit and other financial services for rural entrepreneurs in Yobe State. Studies have shown that the presence of MFIs has had a positive impact on the growth and sustainability of rural enterprises in the state (Yobe State Microfinance Institute, 2021; Adamu & Sarki, 2019).

## **Technical Assistance and Capacity-Building Programs**

Development organizations have also initiated technical assistance and capacity-building programs to support rural entrepreneurs in Yobe State. These programs often focus on improving financial literacy, business management skills, and access to market information (Yobe State Development Partnership Forum, 2022; Yobe State Entrepreneurship Development Agency, 2021).

## **Collaboration with Government Initiatives**

Some development organizations have also collaborated with the Yobe State government to complement and strengthen the existing financing programs. This collaboration has included joint initiatives, co-funding of projects, and the provision of technical expertise (Yobe State Ministry of Commerce and Industry, 2021; Yobe State Development Corporation, 2022).

### **2.0.4 Challenges and Limitations of the Existing Government and Development Organization Efforts**

Despite the various initiatives implemented by the government and development organizations, several challenges and limitations remain in effectively addressing the financing needs of rural entrepreneurs in Yobe State.

#### **Accessibility and Reach of Financing Programs in Remote Rural Areas**

The accessibility and reach of the financing programs have been particularly challenging in the remote and underserved rural areas of Yobe State, where infrastructure limitations and geographic isolation hinder the effective delivery of these services (Yobe State Ministry of Agriculture, 2021; Yobe State Poverty Alleviation Agency, 2022).

Sustainability and long-term impact of the initiatives Concerns have been raised about the long-term sustainability and impact of the government and development organization initiatives. The availability of funding, the continuity of program implementation, and the ability to effectively monitor and evaluate the outcomes of these efforts have been identified as areas requiring further attention (Yobe State Development Partnership Forum, 2022; Yobe State Entrepreneurship Development Agency, 2021).

#### **Coordination and Integration of Different Support Mechanisms**

The lack of effective coordination and integration between the various government and development organization initiatives has been a significant challenge. The fragmented nature of the support ecosystem has led to duplication of efforts, gaps in coverage, and inefficient utilization of resources (Yobe State Ministry of Commerce and Industry, 2021; Yobe State Development Corporation, 2022).

### **2.1 Theoretical framework of this study is based on the following:**

The theory of financial inclusion: This theory posits that access to affordable and appropriate financial services, such as credit, savings, and insurance, is a critical enabler for economic and

social development, particularly for marginalized and underserved populations like rural entrepreneurs.

The theory of entrepreneurial financing: This theory suggests that the availability of diverse and tailored financing options, including loans, grants, equity investments, and microfinance, is essential for supporting the growth and success of rural entrepreneurs, who often face unique challenges in accessing these financing sources.

The study is premised on the notion that the government and development organization initiatives aimed at addressing the financing needs of rural entrepreneurs in Yobe State should be aligned with the principles of financial inclusion and tailored to the specific circumstances and constraints faced by rural entrepreneurs in the state. The effectiveness of these initiatives in enhancing the accessibility, utilization, and impact of entrepreneurial financing will be assessed through the lens of these theoretical perspectives.

By examining the availability, accessibility, and perceived effectiveness of the government and development organization financing support mechanisms, as well as the challenges and opportunities for improvement, this study will contribute to the understanding of how to better support the financial inclusion and entrepreneurial development of rural communities in Yobe State and similar contexts.

## 2.2 Empirical review

Roy and Dutta (2022) assess the impact of microfinance on rural entrepreneurship development in West Bengal, India and evaluate the effectiveness of government and development organizations' efforts in addressing financing needs of rural entrepreneurs. The study used Mixed-method approach combining quantitative and qualitative data, Sample size: 300 rural entrepreneurs from various districts of West Bengal and used structured questionnaires, in-depth interviews, and focus group discussions. The study also used Descriptive statistics, correlation analysis, and regression analysis. The study found out that Microfinance programs have had a positive impact on rural entrepreneurship development, particularly in terms of income generation and employment creation and Government schemes and development organizations' initiatives have improved access to finance for rural entrepreneurs. The study recommended that to enhance financial literacy and programs tailored to rural entrepreneurs and improve coordination between government agencies and microfinance institutions to expand outreach, Develop alternative credit assessment models that consider the unique challenges faced by rural entrepreneurs. But the study was limited to West Bengal, India, and may not be fully representative of other regions or countries and Long-term impacts of microfinance on rural entrepreneurship sustainability were not explored.

Asamoah and Aryeetey (2023) examine the impact of digital financial services on rural entrepreneurship development in Sub-Saharan Africa. The study used Mixed-methods approach with a Survey of 500 rural entrepreneurs across Ghana, Kenya, and Nigeria and involves In-depth interviews with 50 stakeholders also used Econometric analysis using panel data. The study found out that Digital financial services significantly improved access to finance for rural entrepreneurs, Mobile money services were particularly effective in reaching underserved rural areas and Challenges remain in digital literacy and infrastructure. The study recommended that invest in digital infrastructure in rural areas, develop targeted digital literacy programs for rural entrepreneurs and encourages partnerships between fintech companies and traditional financial institutions. But the study has limited focus on regulatory frameworks governing digital financial services in rural contexts

Sharma and Oliveira (2023) to compare and evaluate government support programs for women rural entrepreneurs in India and Brazil. The study used Comparative case study approach, Document analysis of policy papers and program reports, Interviews with 100 women entrepreneurs (50 each from India and Brazil) and Qualitative content analysis. The study found out that Both countries have made significant strides in supporting women rural entrepreneurs, Brazil's programs showed higher effectiveness in providing integrated support (finance, training, and market access) and India's self-help group model demonstrated strong potential for scaling. The study recommended that Develop gender-responsive policies that address specific challenges faced by women entrepreneurs and Implement mentorship programs linking urban and rural women entrepreneurs, Improve monitoring and evaluation mechanisms for support programs. But the study has limited exploration of the role of cultural factors in program effectiveness

Wei and Johnson (2024) To assess the potential of block chain technology in improving microfinance services for rural entrepreneurs. The study used Systematic literature review, Case studies of three block chain-based microfinance projects in Southeast Asia, Expert interviews with fintech professionals and rural development specialists. The study found out that Block chain technology can significantly reduce transaction costs and improve transparency in microfinance, Smart contracts show promise in automating loan disbursement and repayment processes and Challenges exist in technology adoption and regulatory compliance. The study recommended that Pilot block chain-based microfinance programs in select rural areas, develop capacity-building initiatives for microfinance institutions on block chain technology and establish clear regulatory guidelines for block chain-based financial services. But the study has limited empirical data on the long-term impact of block chain-based microfinance on rural entrepreneurship

Petrovic and Kovalev (2023) To examine how agricultural cooperatives support the financing needs of rural entrepreneurs in Eastern European countries. The study used Mixed-methods approach, Survey of 300 rural entrepreneurs across Poland, Romania, and Bulgaria and Case studies of 10 successful agricultural cooperatives, Econometric analysis of cooperative financial data. The study found out that Agricultural cooperatives play a crucial role in providing affordable financing to rural entrepreneurs, Cooperatives often offer more flexible terms compared to traditional banks and the social capital within cooperatives contributes to lower default rates. Also the study recommended that Strengthen legal frameworks supporting agricultural cooperatives, Develop capacity-building programs for cooperative management and encourage partnerships between cooperatives and formal financial institutions. But the study has limited focus on non-agricultural rural enterprises

Diallo and Chen (2024) assess the effectiveness of green finance initiatives in promoting sustainable rural entrepreneurship globally. The study used Global survey of 1000 rural eco-entrepreneurs across 20 countries, Analysis of green finance policies and programs in selected countries, Econometric modeling to estimate the impact of green finance on rural eco-entrepreneurship growth and the study found out that Green finance initiatives have a positive impact on the growth of rural eco-enterprises, Access to green finance varies significantly across regions, Lack of awareness and complex application processes hinder uptake of green finance among rural entrepreneurs and recommended that Simplify application processes for green finance programs, Develop targeted awareness campaigns for rural eco-entrepreneurs and Integrate green finance with broader rural development policies. But the study has Limited exploration of the long-term environmental impact of green finance-supported rural enterprises

Adebisi, and Oni (2012): Examine the various financing options available to SMEs in Nigeria and assess the accessibility and utilization of these financing options by SMEs. The study used

Qualitative and quantitative data collection through interviews and surveys with SME owners and finance providers and Secondary data analysis of government and development organization reports. The study find out that Limited awareness and utilization of government and development organization financing schemes among rural SMEs, Stringent collateral requirements, high-interest rates, and bureaucratic processes hinder SMEs' access to formal financing and Inadequate coordination and integration of the various financing initiatives. The study recommended that Increase awareness and accessibility of government and development organization financing programs, Simplify application processes and collateral requirements for rural SMEs and Enhance coordination and integration of financing initiatives but the study Focused on SMEs in general, without a specific focus on rural entrepreneurs and Limited assessment of the long-term impact and sustainability of the financing support mechanisms

Abimbola and Agboola (2011) Evaluate the role of microfinance institutions in addressing the financing needs of the rural poor, including rural entrepreneurs, Assess the impact of microfinance services on the economic and social well-being of rural communities. The study used Mixed-methods approach, including surveys, interviews, and focuses group discussions with microfinance clients and non-clients in rural areas and Secondary data analysis of microfinance institution performance and outreach reports. The study found out that Limited outreach and accessibility of microfinance services in remote rural areas, Challenges in ensuring the long-term sustainability and impact of microfinance initiatives and Lack of integration and coordination between microfinance institutions and other government/development organization support programs. The study recommended that Enhance the infrastructure and delivery channels of microfinance services in rural areas, Strengthen the institutional capacity and financial viability of microfinance institutions and Promote the integration of microfinance with other rural development initiatives but the study Focused primarily on the role of microfinance, without a comprehensive assessment of other government and development organization financing support mechanisms and Limited exploration of the specific challenges and needs of rural entrepreneurs

Olajide and Akinleye (2016) assess the effectiveness and impact of these policies and programs, particularly in rural and underserved areas, identify the key challenges and limitations in the implementation and coordination of entrepreneurship support initiatives. The study used Qualitative data collection through interviews with government officials, policymakers, and entrepreneurs and Secondary data analysis of policy documents, government reports, and program evaluations. The study found out that Lack of coherence and coordination among the various government entrepreneurship support initiatives, Inadequate targeting and reach of these initiatives in remote rural areas and Challenges in ensuring the long-term sustainability and scalability of entrepreneurship support programs and Recommended to Improve the integration and coordination of government entrepreneurship support initiatives, Enhance the accessibility and tailoring of these initiatives to the specific needs of rural entrepreneurs and Strengthen the monitoring and evaluation frameworks to ensure the long-term impact and sustainability of entrepreneurship support programs but the study Focused on government policies and programs, without a specific emphasis on the role of development organizations in supporting rural entrepreneurial financing and Limited exploration of the interplay between government and development organization efforts in addressing the financing needs of rural entrepreneurs

### 3.0 Methodology

This section explained the methods and procedures adopted in this study. It explained the research design, study population, sample size, sampling technique, method of data collection and analysis. The study adopted the survey research design to examine the efforts of

government and development organizations to address the financing needs of rural entrepreneurs in Yobe State.

### 3.1 Population and Sample

The population of this study is unknown; thus, an unknown sample size determination formula was applied.

The sample size of this study was determined by using the formula is given as:

$$n = \frac{z^2[p * q]}{d^2}$$

Where:

n = Sample size required

p = proportion of 0.5

q = proportion of 0.5

d = Level of significance (0.05) i.e. allowable error

Thus

$$n = \frac{1.96 * 1.96[0.5 * 0.5]}{0.05 * 0.05}$$

$$= 384.16$$

$$\therefore n = 384 \text{ (rounded).}$$

### 3.3 Sampling Technique

This study applied the simple random sampling technique which applied because all rural entrepreneurs have equal chance and are qualified to participate.

### 3.4 Method of Data Collection and Analysis

The instrument for data collection in this study was questionnaire using a cross-sectional data from primary sources. The nature of the questionnaire used for this study was a five-point Likert-scale, ranging from “strongly agree” to “strongly disagree” (5 = ‘Strongly Agree’, 4 = ‘Agree’, 3 = ‘Undecided’, 2 = ‘Disagree’ and 1 = ‘Strongly Disagree’) to reflect the agreement of the respondents on the issues raised. Tests of validity and reliability were conducted to confirm the suitability of the instrument. The data collected were analysed with SPSS version 26.0, by applying multiple linear regression.

### 3.5 Model Specification

The multiple regression equation is:

$$SIOR_{Ei} = \beta_0 + \beta_1FINAW1i + \beta_2FINACC2i + \beta_3FINUTIL3i + \beta_4FINPEIM4i + \epsilon_i$$

Where;



SIOR = support initiatives of rural entrepreneurs the dependent variable  
(Performance)  
 $B_0$  = Constant or intercept  
 $\beta_{1i}$ ,  $\beta_{2i}$ ,  $\beta_{3i}$ , and  $\beta_{4i}$ , = Coefficients of the independent variables  
FINAW1i = Financial awareness  
FINACC2i = Financial accessibility  
FINUTIL3i = Financial utilization  
FINPEIM 4i = Financial perceived impact  
 $\varepsilon_i$  = Error term

### Decision Rule

The decision rule is:

Reject  $H_0$  if  $p$  value  $< 0.05$ , otherwise Accept  $H_0$

### Post-Estimation Tests

Normality, Linearity in parameters, Homoskedasticity, and No autocorrelation

## 4.0 Results and Discussion

### Response Rate

A total of three hundred and eighty-four (384) copies of the questionnaire were administered, 349 questionnaires were completed and returned for analysis, while, 338 copies were used for analysis, 11 were dropped due to incomplete and missing information, giving a response rate of 84.5%.

### Pre-Estimation Tests

#### Data Cleansing

The data for this study was subjected to data cleaning tests (missing values, out of range and reliability) and certified for the final analysis. The result showed that there are no out-of-range values. This means that all the value range for this study is within 1-5. No value was found outside the 1-5 range. Missing values were detected in the result. The percentage of missing value was (3.6%) since the percentage of missing values is less than twenty percent (20%) as indicated by Hair, Black, Babin, Anderson and Tatham (2006) and Scheffer (2002), does not pose a challenge to the analysis of data.

### Reliability of Variables

Table 1: Reliability Result

| S/N | Questionnaire Constructs                   | Cronbach Alpha | Reliability Result | Remark   |
|-----|--|----------------|--------------------|----------|
| 1   | Financial awareness                        |                |                    | Reliable |
| 2   | Financial accessibility                    |                |                    | Reliable |
| 3   | Financial utilization                      |                |                    | Reliable |
| 4   | Financial perceived                        |                |                    | Reliable |
| 5.  | support initiatives of rural entrepreneurs |                |                    | Reliable |
| 6   | <b>Overall</b>                             | 0.914          |                    | Reliable |

Source: SPSS 26.0

The reliability test indicated that since the overall Cronbach Alpha value is 0.914 and is higher than the benchmark value of 0.7, it can be indicated that the instrument for data collection is reliable.

Table 2: Regression estimates

|                      | <i>Regression result</i> |                |
|----------------------|--------------------------|----------------|
|                      | <i>Coeff</i>             | <i>P-value</i> |
| <i>Constant</i>      | 0.377                    | 0.0787         |
| FINAW                | 0.501                    | 0.000***       |
| FINUTIL              | -0.158                   | 0.0578         |
| FINACC               | 0.355                    | 0.000***       |
| FINPEIM              | 0.157                    | 0.001***       |
| <b>r<sup>2</sup></b> | 0.744                    |                |
| <b>N</b>             | 338                      |                |
| <b>F*</b>            | 242.055                  | 0.000***       |
| <b>Durbin-Watson</b> | 1.893                    |                |

Dependent Variables **SIOR<sub>i</sub>** \*\*\* significant at 1%

Source: SPSS output 26.0

### Test of Hypotheses

#### Hypothesis One

Ho1: Financial awareness has no significant effect on support initiatives of rural entrepreneurs in Yobe State. From the result of the P-value of financial awareness is 0.0787. The decision rule which states that when the p-value is greater than the level of significant 0.05, the null hypothesis should be rejected while the alternate hypothesis is accepted. Therefore, financial awareness has no significant effect on support initiatives of rural entrepreneurs in Yobe State.

## Hypothesis Two

Ho2: Financial accessibility has no significant effect on support initiatives of rural entrepreneurs in Yobe State. The result of the P-value for financial accessibility is 0.000. The decision rule which states that when the p-value is less than the level of significant 0.05, the null hypothesis should be rejected while the alternate hypothesis is accepted. The p-value is less than 0.05, thus, financial accessibility has a significant effect on support initiatives of rural entrepreneurs in Yobe State

## Hypothesis Three

Ho3: Financial utilization has no significant effect on support initiatives of rural entrepreneurs in Yobe State.

The P-value for financial utilization is 0.0578. Given that the p-value is greater than 0.05, therefore, Financial utilization has no significant effect on support initiatives of rural entrepreneurs in Yobe State

## Hypothesis Four

Ho4: Financial perceived impact has no significant effect on support initiatives of rural entrepreneurs in Yobe State.

The P-value for financial perceived impact is 0.001, which is less than 0.05, consequently, it is concluded that financial perceived impact has a significant effect on support initiatives of rural entrepreneurs in Yobe State.

**Table 3: Post-Estimation Tests**

| Post-Estimation   | Test                          | P-value |
|-------------------|-------------------------------|---------|
| Normality Test    | Symmetrical                   |         |
| Linearity Test    | 2.149                         | .112    |
| Homoscedasticity  | .756                          | .904    |
| Durbin-Watson     | 1.893                         |         |
| Multicollinearity | 2.009, 1.263, 2.396 and 1.951 |         |

Source: Author's computation

The histogram provides a useful graphical representation of the data. From the diagrams, the histograms show that the data follows a normal distribution given that the bell-shaped curve is symmetric.

It was found that the p-value of the deviation from linearity is greater than the level of significant (0.05), indicating of linearity in the model.

This study tested for Homoscedasticity, the p-value of the result in Table 3 showed that the p-value is 0.904, which is greater than the level of significance of 0.05. This implied that there is homoscedasticity.

The general rule for autocorrelation based on the Durbin Watson (DW) test is if the calculated value of  $d$  is close to 2 between 1.5 and 2.5. It suggests no autocorrelation and the independence of observations is not violated. This is because the DW value which is 1.893 and is approximately equal to 2.

The variance inflation factor (VIF) for the predictors is used to test if there is a strong linear association among them. The result of the multicollinearity shows that there is no multicollinearity among the independent variables, since the values of the VIF are all less than 10 which is the benchmark.

#### 4.1 Discussion of Findings

From hypothesis one, it found that financial awareness has no significant effect on support initiatives of rural entrepreneurs in Yobe State. This result is consistent with the findings of Diallo and Chen (2024) who found that Access to green finance varies significantly across regions, Lack of awareness and complex application processes hinder uptake of green finance among rural entrepreneurs. Also, there is consistency with study of Adebisi, and Oni (2012), they concluded that limited awareness and utilization of government and development organization financing schemes among rural SMEs, Stringent collateral requirements, high-interest rates, and bureaucratic processes hinder SMEs' access to formal financing and Inadequate coordination and integration of the various financing initiatives.

For hypothesis two, it found that financial accessibility has a significant effect on support initiatives of rural entrepreneurs in Yobe State. This result is in disagreement with the findings of Diallo and Chen (2024) who found that Access to green finance varies significantly across regions. Accessibility of microfinance services in remote rural areas is challenging in ensuring the long-term sustainability and impact of microfinance initiatives.

From hypothesis three, it found that financial utilization has no significant effect on support initiatives of rural entrepreneurs in Yobe State. This finding is supported by the study of Adebisi, and Oni (2012), who found that utilization of these financing options by SMEs is with stringent collateral requirements, high-interest rates, and bureaucratic processes.

For hypothesis four, financial perceived impact has a significant effect on support initiatives of rural entrepreneurs in Yobe State. This is in agreement with the findings of Olajide and Akinleye (2016) who assessed the effectiveness and impact of these policies and programs, particularly in rural and underserved areas, Identify the key challenges and limitations in the implementation and coordination of entrepreneurship support initiatives. The study found out that Lack of coherence and coordination among the various government entrepreneurship support initiatives, Inadequate targeting and reach of these initiatives in remote rural areas and Challenges in ensuring the long-term sustainability and scalability of entrepreneurship support programs.

#### 5.0 Conclusion and Recommendations

This study examined assessing the efforts of government and development organizations to address the financing needs of rural entrepreneurs in Yobe State. The study specifically examined how financial awareness, financial accessibility, financial utilization and financial perceived affect support initiatives of rural entrepreneurs in Yobe State. The result from the regression analysis revealed that financial awareness, financial accessibility, and financial perceived affect support initiatives of rural entrepreneurs in Yobe State. But financial utilization does not affect support initiatives of rural entrepreneurs' due stringent rules and regulation. This study therefore, recommends that; there is need to enhance financial literacy in the rural areas to enhance entrepreneurs. Simplify application processes for access finance

programs, encourage zero collateral financial access and tackle corruption and corrupt tendencies such as nepotism, favoritisms and statism.

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