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SOCIAL RISK FACTORS AND THE ACCEPTANCE OF ISLAMIC MICROFINANCING IN NORTHWESTERN STATES IN NIGERIA

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Abstract

Paradigm shift is made here from the adaption of traditional behavioral theories such Theory of Reasoned Action (TRA) and Theory of Planned Behavior (TPB) to the adaption of Conceptual Framework of Social Risk Factors for Value-based Payments (SRF-VBP) in modelling Islamic microfinance acceptance. The SRF-VBP has been used in Health Care Services Sector. This study rectifies a failure in the previous models to account for social risk factors in estimating the determinants of Islamic microfinance acceptance. The study modelled the influence of social risk factors – economic condition, cultural context, gender and social relationships to broaden the understanding of factors influencing Islamic microfinance acceptance beyond what is already known through the behavioral theories. Quantitative research design was employed. Data was collected from sample of 367 agribusiness microentrepreneurs. Through the deployment of the modified SRF-VBP framework, the data was analyzed using multiple regression analysis. The results revealed the relevance of social risks factors in explaining Islamic microfinance acceptance. Specially, within the socio-economic factors - income source was found to significantly influence Islamic microfinance acceptance but income level, financial condition and educational level were insignificant. For cultural context, both additional wives plan, and childbearing plan are positively significant. However, gender was found to be an insignificant determinant. Lastly, social relationship factors -marital status, existing number of wives and existing number of children were also found to be significant determinants of Islamic microfinance acceptance. The practical implication could be careful evaluation of social risk factors in providing the relevant finances to the agribusiness microentrepreneurs by Islamic financial institutions especially for profit-oriented ventures. This is to ensure that the finances are used for business empowerment purposes rather than solving self-enforced social problems and social ceremonies. It also highlights the need for Islamic social financing through Zakat and Qardul-Hassan financing to address genuine social risks issues in Muslims communities. The study expands the understanding on the determinants of Islamic microfinance acceptance through the deployment of SRF-VBP framework into Islamic finance literature. Earlier studies focussed on behavioral factors through the application of traditional behavioral theories. To the researchers' knowledge the use of SRF-VBP framework to explain the influence of social risks factors on Islamic microfinance acceptance has not been availed in the literature.

***Keywords**: Cultural Context, Gender, Islamic microfinance, Social Risk Factors.*

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1. Introduction

Islamic finance literature has extensively studied the factors influencing the acceptance of Islamic financing. Evidences have been available in the areas Islamic home financing (Ali, Raza, Puah, & Karim, 2017; Amin, Abdul Rahman, & Abdul Razak, 2014; Amin & Hamid, 2018;Ibrahim, Fisol, & Haji-Othman, 2017; Razak, Mohammed, &Taib, 2008), Islamic microfinancing including Qardul-Hassan financing (Ali, Jamaludin, & Othman, 2016; Amin, Abdul Rahman, Sondoh Jr, Chooi Hwa, 2011; Maulana, Mbawuni & Nimako, 2017; Razak, & Adeyemi, 2018; Zauro, Saad &Sawandi, 2016) and Islamic credit card acceptance (Amin, 2013). Most of these efforts were underpinned by the Theory of Reasoned Action (TRA) (Fishbein and Ajzen, 1975) and Theory of Planned Behavior (TPB) (Ajzen, 1991). In this study, a paradigm shift is made from these traditional behavioral theories to the adaption of SRF-VBP Framework in modelling the determinants of Islamic microfinance acceptance. The SRF-VBP Framework emerged from Health Care Sector. The deployment of The SRF-VBP Framework into The SRF-VBP Framework could be justified by the study of Leatherman, et al., (2011) which highlighted a link between healthcare strategies and microfinance in addressing social problems poverty. Therefore, this study rectifies a failure in the previous models to account for social risk factors in estimating the determinants of Islamic microfinance acceptance. It is expected that examination of social risk factors – economic condition, cultural context, gender and social relationships will broaden the understanding of factors influencing Islamic microfinance acceptance beyond what has already been known through the behavioral factors.

The basic question which this research seeks to answer is: to what extent do social risks factors influence the acceptance of Islamic microfinancing? Providing an answer to this question is considered critical, particularly as the study focuses on a country with highly pronounced social risks due to rising level of poverty. Therefore, the motivation of this study is threefold. First, there has been exhaustive application of traditional theories such as TRA and TPB, and apart from being exhaustive, these theories do not account for important social risk factors identified and studied here which relate to economic condition of individuals, cultural context, gender and social relationships. Thus, for the fact that most of the previous studies relied on TRA and TPB, they failed to capture these variables in their investigations in relation to the factors influencing Islamic finance acceptance. Second, there is high concern for raising poverty in the country of the study, recently, World Economic Forum (WEF) indicates Nigeria as a country with extreme poverty which overtook India since 2018 (WEF, 2019). Thus, WEF advised Nigeria to focus on three things; investment in healthcare and wellbeing, investment in girl's child education and expansion of economic opportunities and embracing technology. It is unarguable that poverty is linked to social risks; hence, evidence from WEF indicates the need to study social risks factors in relation to many economic activities including Islamic finance. Lastly, most of the studies cited above such as Ali, et al. (2017), Amin, et al. (2014), Amin and Hamid (2018), Ibrahim, et al., (2017), Razak, et al., (2008) related to the Islamic home financing. Others relate to Islamic banking services and Qardul-Hassan financing (Ali, et al., 2016; Amin et al., 2011; Amin, 2013; Maulana, et al., 2017; Razak, & Adeyemi, 2018; Zauro, et al., 2016). Hence, the need for

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evidence from different sample; to address this, agribusiness microentrepreneurs serve as a sample in this study. The study was conducted in a highly dominated Muslim part of Nigeria, which is also an agrarian region.

Therefore, to answer the above research question and fulfil these motivations, the objective of the study is to examine the influence of social risk factors –socio-economic condition (education level, income level, income source, and financial condition), cultural context (additional wives plan and childbearing plan), gender (male or female) and social relationships (marital Status, number of wives, number of children) in the acceptance of Islamic microfinancing by agribusiness microentrepreneurs in North western Nigeria. The structure of the paper is as follows; this first part is introduction, the second part is literature review, the third is methodology, the fourth is result and discussion while the last part is conclusion and implications.

2. Literature Review

2.1 Conceptual Framework of Social Risk Factors for Value-based Payments (SRF-VBP)

Social risk has been defined by Leoni (2016) as socio-economic circumstances resulting from significant loss of income, and consequently, increased likelihood of poverty. In line with this definition, the SRF-VBP Framework was identified as important framework that captures various socio-economic circumstances. The framework was developed by the Committee on Accounting for Socioeconomic Status in Medicare Payment Program Chaired by Donald M. Steinwachs of Johns Hopkins Bloomberg School of Public Health through their report titled '*Accounting for Social Risk Factors in Medicare Payment';* this was the fifth and final report that considered how best to deal with variety of methods for accounting for social risk factors. The report was sponsored by the United States National Academy of Sciences (2017) and published by National Academies of Sciences, Engineering and Medicine (2017). Though the report was meant to be utilized in the healthcare sector due to the attendant social risks factors associated with efficient delivery of its services, however, it can still be applied in microfinance setting. The justification for this is that a study revealed the link between health care strategies and microfinance because both have link with poverty (Leatherman, et al., 2011). Consequently, the application of SRF-VBP Framework here is limited to the factors possibly linked to the Islamic microfinance in relation to the cultural setting of the study area. The SRF-VBP Framework is very comprehensive; it proposed five main social risks factors, each one having sub-categories. These include; (i) socio-economic positions- income, duality of income, wealth, education, eligibility and occupation, (ii) race, ethnicity and cultural context – race and ethnicity, language, nativity, acculturation and documentation status, (iii) gender – gender identify and sexual orientation, (iv) social relationships- marital relationship, leaving alone, and emotional and instrumental social support, and lastly (v) residential and community context –Neighborhood deprivation, urbanicity, housing and other environmental measures. These factors were proposed to influence behavior in form of health care usage, health care outcome and resource usage.

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In an attempt to ensure that the framework suit to the Islamic finance acceptance intention, it was modified based on the contextual and settings issues. For instance, for the first factor which is socio-economic positions- income, duality of income, wealth, education, eligibility and occupation, it was modified to socio-economic condition (income level, income source, financial condition, education level). Eligibility and occupation were dropped for the fact that no one is exempted from using Islamic finance; it is for both Muslims and Non-Muslims and it has no cultural bias. Likewise, occupation was also excluded because the respondents have same occupation that is agribusiness entrepreneurship. For the second factor; the race, ethnicity and cultural context – race and ethnicity, language, nativity, acculturation and documentation status; it modified to cultural context (additional wives plan and childbearing plan). This implied that race and ethnicity, language and nativity were dropped. This happens due to homogeneity of respondents in terms these factors. Likewise, acculturation was also dropped because there is low level of cultural infiltration due to the dominance of natives in the region. For the third factor; gender – identify and sexual orientation; it was modified to gender, which is measured using male or female only. This modification is setting specific, while sexual orientation is important variable in healthcare; such seems to have no avenue in Islamic finance acceptance. For the fourth factor; social relationships- marital relationship, leaving alone, and emotional and instrumental social support; it was modified to social relationships (marital status, number of wives, number of children). This implied that emotional and instrumental social supports were dropped; the modification here is setting specific, while these variables could be important in healthcare services, it is less to do with Islamic finance acceptance. Lastly, For the fifth factor; residential and community context – neighborhood deprivation, urbanicity, housing and other environmental measures, they were completely dropped because they mainly related to health care system. In essence, three reasons justified the framework modification, these are; settings (Healthcare Payments vs Islamic Finance), Context (US Multicultural context vs North western Nigeria Unicultural context) and lastly the measurability of the variables.

2.1.1 Socio-economic Conditions and Intention to Accept Islamic Microfinancing

Socio-economic conditions refer to the individual positions in terms of income level, income source, financial condition, education level which can influence his/her decision to accept or not accept Islamic microfinance. Literature documents that income level, income source, financial condition are important behavioral factors in health care payments (National Academies of Sciences, Engineering, and Medicine, 2017) and financial condition was also found to have indirect effect on tax payment behavior (Alabede, Ariffin, & Idris, 2011) while educational level is found to have link with the acceptance of Islamic home financing, though insignificant (Amin, et al., 2014). However, evidences are not much available on the influence of these social factors on the acceptance of Islamic microfinance. Notwithstanding, it can be logically argued that individuals in regions with extreme poverty such as the context of this study would likely depict high intention to accept Islamic microfinance due to low level of income. Similarly, agribusiness individuals who serve as respondents in this study are more dependent on business income not employment income, which does not guarantee fixed streams of income like salary earners. This implied that they may require initial or

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additional capital; as a result, they would be more likely to resort to free interest loans or financing arrangements to support their businesses. Moreover, individuals with high financial constraint would also be more likely to seek for inexpensive sources of credit, thus, more likely to accept Islamic microfinance. Lastly, people with high educational qualifications would think to have alternatives for working instead of agribusiness, thereby having lower intention towards Islamic microfinance acceptance. Put differently, individual with low educational qualifications would think to have low chances to switch out of agribusiness, thus, would be more likely to accept Islamic micro financing so as to enhance their capitals and eventually their businesses. Based on these arguments, the following hypotheses are developed.

H1 (a): Income level has a significant influence on intention to accept Islamic micro financing in North western states in Nigeria.

H1 (b): Income source has a significant influence on intention to accept Islamic microfinancing in North western states in Nigeria.

H1 (c): Individual financial condition has a significant influence on intention to accept Islamic microfinancing in North western states in Nigeria.

H1(d): Educational level has a significant influence on intention to accept Islamic microfinancing in North western states in Nigeria.

2.1.2 Cultural Context and Intention to Accept Islamic Microfinancing

Cultural context here refers to the Islamic culture which allows individual men to marry up to four wives and no limit in terms of number of children. It is arguable that, globally, it is difficult to find a region that practices this culture like Northern Nigeria. It is common for a man to have up to four wives as permitted in Islam, and also to have up 10 to 20 children and in some rare instances an individual could have up to 50 children. However, this situation poses to social problems especially to individuals who are inconsiderate to their financial situations. Consistent with this, literature reports misused of agricultural loans for non-agricultural purpose. In Pakistan, Kayani et al., (2016) reported an unfortunate situation in which agriculture loan obtained from Zarai Taraqiati Bank (ZTBL) have often been misused for non-agricultural purposes like construction of house, purchase of vehicles and marriage. Likewise, Nagahage and Dilrukshi (2012) reported the use of agricultural loans by farmers to cater for unforeseen expenses relating to illness or death, legal and ceremonial expenditure. Based on these evidences, it will be important to examine the link between additional marriage plan and large childbearing which are common in north western Nigeria with acceptance of Islamic microfinance among agribusiness microentrepreneurs in the region. Hence, the following hypotheses are developed:

H2 (a): There is positive relationship between additional wives' plan and intention to accept Islamic microfinancing in North western states in Nigeria.

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H2 (b): There is positive relationship plan additional childbearing plan and intention to accept Islamic microfinancing in North western states in Nigeria.

2.1.3 Gender and Intention to Accept Islamic Microfinancing

Gender here refers to the individual's identity of being either male or female. Gender has been considered as one of the important social risk factors (National Academies of Sciences, Engineering, and Medicine, 2017). In relation to Islamic mobile banking adoption, Haider, Changchun, Akram, and Hussain (2018) found that male have more perceived usefulness and perceived self-expressiveness while females have more perceived credibility in relation to Islamic mobile banking adoption, while no significant difference across gender in terms of perceived financial cost and social norms in relation to Islamic mobile banking adoption. In another study, Amin, et al. (2014) found that gender has little influence in the acceptance of Islamic home financing products. While evidences are somewhat available in the relationship between gender and Islamic financial products acceptance, its effects are yet to be examined in a research model comprising purely social risks factors that could likely influence Islamic microfinancing acceptance especially among agribusiness microentrepreneurs. Consequently, this implied the need to investigate the effect of gender as a social risk factor in relation to the acceptance of Islamic microfinance. Hence, the following hypothesis is proposed:

H3 (a): Gender has a significant influence on intention to accept Islamic microfinancing in North western states in Nigeria.

2.1.4 Social Relationships and Intention to Accept Islamic Microfinancing

Social relationships here refer to social status of an individual of whether being married or single, the current number of wives, as well as the existing number of children. The SRF-VBP Framework recognized three types of social relationships in terms of - marital relationship, leaving alone, and emotional and instrumental social support (National Academies of Sciences, Engineering, and Medicine, 2017). However, these have been modified here to reflect marital status of either being married or single, number of wives and number of children. While these are important social risk factors, its recognition in Islamic finance literature especially in relation to financing acceptance have been lacking. Only few studies such as that of Amin, et al. (2014) recognized some of these factors alongside other behavioral factors not as standalone determinants. Specifically, Amin, et al. (2014) found marital status as significant determinant of Islamic home financing acceptance, however, no existing empirical evidence has been found by this study on the influence of other social relationships variables such as number of wives and number of children in relation to Islamic finance acceptance. Consequently, to address this paucity of evidence, the following hypotheses are proposed:

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H4 (a): Marital status has a significant influence on intention to accept Islamic microfinancing.

H4 (b): Number of wives has a significant influence on intention to accept Islamic microfinancing in North western states in Nigeria.

H4 (c): Number of children has a significant influence on intention to accept Islamic microfinancing in Northwe stern states in Nigeria.

Therefore, in order to test these hypotheses a model is proposed in Fig.1. The validation of this framework will provide insights to Islamic financial institution of specific social risks factors to be evaluated in signing Islamic financing contracts with customers; it will also enable its further validation by researchers and its wider application in countries that practice Islamic banking and financial systems.

The modified model

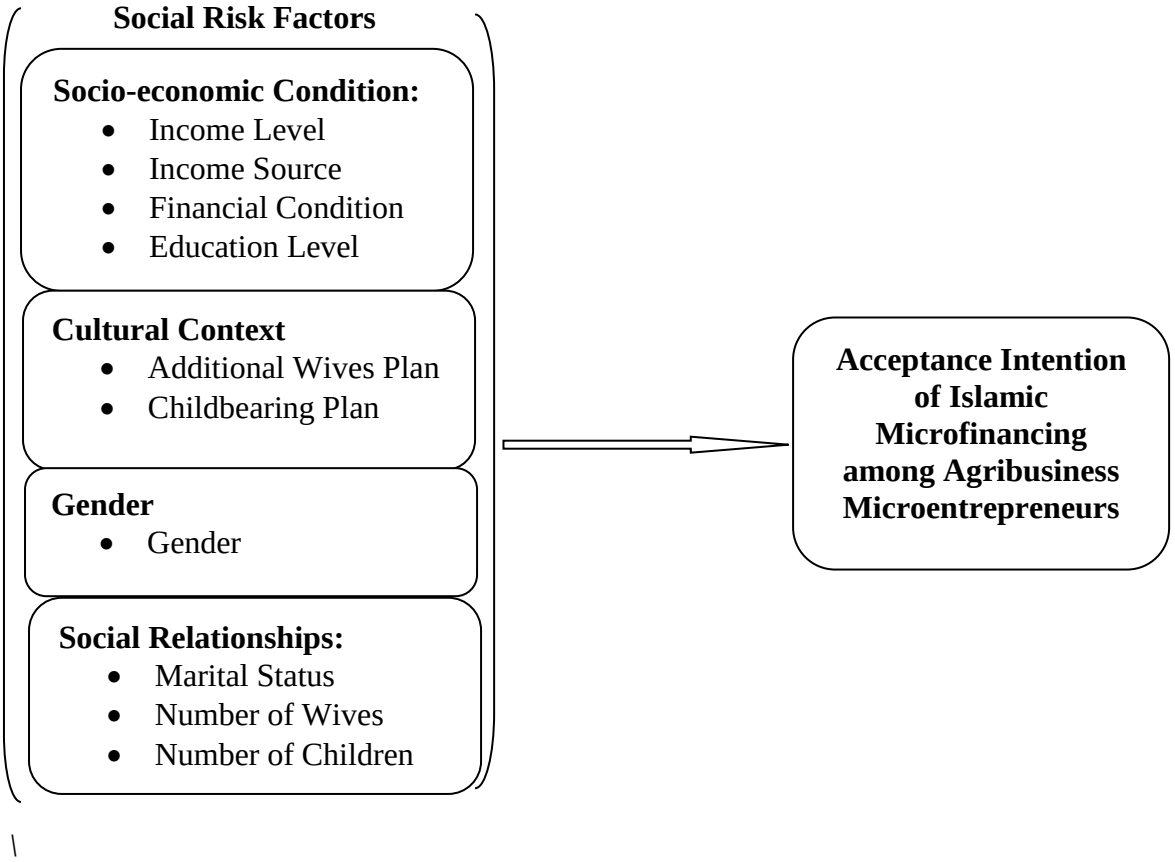

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Fig. 1: Conceptual Framework of Social Risk Factors and Acceptance of Islamic Microfinance

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2.2 Traditional Behavioral Theories

In Islam "actions are by intention" (Al-Khattab), this has been confirmed from authentic hadith. Accordingly, renowned behavioral theories such as TRA (Fishbein and Ajzen, 1975) and TPB (Ajzen, 1991) also highlighted the link between intention and action. Specifically, through the TRA, Fishbein and Ajzen (1975) asserted that behavior is a product of intention which is built from one's attitude and subjective norms. Later, Ajzen (1991) extended TRA through TPB in which perceived behavioral control was integrated as another predictor of intention. Ajzen (1991) suggested for further integration of variables into the theory to provide more explanation to the intention and behavior based on settings and context specific peculiarities.

Following this development, Islamic finance literature has experienced the application of these theories in understanding the predictors of Islamic finance acceptance at both intention and behavior levels. Since 2000s, a study was carried-out by Razak, et al. (2008) among 330 existing and potential house owners on their intention to accept Islamic home financing based on their perceived satisfaction or dissatisfaction with the product, and by comparing the beliefs of Muslim and Non-Muslim customers. It was found in this study that the later have greater beliefs in Islamic home financing as well as its potentials to meet socially desirable objectives.

Still in the areas of Islamic home financing, Amin, et al. (2014) employed ordered probity model to understand the influence of attitude, subjective norm, perceived control and Islamicity of home financing product on its acceptance by consumers. The result of their study revealed strong influence of attitude, subjective norm, perceived control and Islamicity of product on the acceptance of Islamic home financing; this is in addition to others factors such as marital status, ethnicity, occupation and religion; but little influences were found in relation to gender, qualification and monthly income. In another study, Ibrahim, et al. (2017) examined the influence of attitude, subjective norm, perceived behavioral control, awareness and religiosity on customer's intention to choose Islamic home financing products in Malaysia. Their results revealed that attitude, subjective norm, perceived behavioral control, awareness and religiosity have significant influence on customer's intention to choose Islamic home financing products with religiosity as the most influencing factor among the variables. Similarly, Ali, et al. (2017) deployed the modified TPB in the examination the customers' intention to use Islamic home financing in Pakistan. Through their modified model, it was found that attitude, subjective norm, and perceived behavioral control have significant positive influence on customer intention towards the use of Islamic home financing with attitude as the most influencing factor among the variables. Further, through the modified TPB they also found pricing on home financing and religious belief as significant predictors to the acceptance of Islamic home financing, with pricing having a negative effect while religious belief having a positive. More recently, Amin and Hamid (2018) examined the factors explaining the patronage of Tawarruq home financing in Malaysia, the result of their study revealed that quality of Maqasid compliance, product attractiveness, financial recommendation, attitude and perceived behavioral control

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collectively have significant influence on consumers'' willingness to choose Tawarruq home financing, with attitude as a significant mediating variable.

Evidences for the use of TRA and TPB in the Islamic finance literature have been provided in the areas of Islamic personal financing. This can be evidenced from the study of Amin, et al. (2011) who deployed TPB in investigating the determinants of Islamic personal financing and found that attitude, social influence and pricing of Islamic personal financing are significant factors influencing its acceptance while religious obligation and government support were found to be insignificant. In another study, Amin (2013) underpinned his study with TRA by examining the influence of attitude, subjective norm and perceived financial cost on Malaysian bank customers' intention to choose Islamic credit cards; it was found that all the three factors have significant influence of customers' decision to choose Islamic credit cards with attitude as the most influencing factor among the variables. Additionally, Ali, Jamaludin, and Othman (2016) through a pilot study with fewer samples examined the influence of attitude towards microfinance, subjective norm and perceived behavioral control on the acceptance of Islamic microfinance among social network of women entrepreneurs in Malaysia, it was found that attitude towards microfinance and subjective norm were the most significant among the three variables studied.

Similarly, Zauro, et al., (2016) proposed a model with five predictors of Qardhul Hassan financing acceptance in Nigeria including; attitude, knowledge of Qardhul Hassan financing, perceived benefits, perceived government support and religious obligations, with financial inclusion as a proposed moderating variable. The study recommends for the validation of the model which will assist policy makers, regulators, practitioners and other stakeholder to curb adverse effects of financial exclusion in Nigeria and other emerging countries. In the area of Islamic banking acceptance among Muslims and Non-Muslims, Maulana, Mbawuni and Nimako (2017) examined the factors influencing the acceptance of Islamic Banking in Ghana. It was found that consumer attitude, knowledge, perceived benefits, perceived innovativeness and readiness to comply with Sharia law as the main predictors of Islamic Banking acceptance among Muslim and non-Muslim sub-groups. However, perceived religion effect and perceived threat of violence were found to have low influence on Islamic Banking acceptance, and even insignificant effect among non-Muslims sub-group. In a recent study, Maulana, Razak, and Adeyemi (2018) carried-out empirical examination on the factors influencing the participation into Baitul Maal wat Tamwil (BMT) among Muslim customers using the Decomposed Theory of Planned Behaviour (DTPB). It was found that, out of the original TPB variables only perceived behavioral control was insignificant, while among the antecedents of the main beliefs, only perceived complexity and uncertainty, perceived compatibility and facilitating condition were not significant.

It is evidently clear that TRA and TPB have been extensively deployed in understanding the factors influencing the acceptance of Islamic finance through various modifications and expansions of the original models. However, social risk factors such socio-economic condition (education level, income level, income source, and financial condition), cultural context (additional wives plan and childbearing plan), gender (male or female) and

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social relationships (marital Status, number of wives, number of children) have not been given important emphasis, more especially in specific Muslim communities in which there is high level of poverty. This is in spite of the fact that one of the noble objectives of Islamic model of financing is poverty reduction through the avoidance of usury. Therefore, this study deployed SRF-VBP framework to investigate the above-mentioned factors in relation to Islamic microfinance acceptance.

1.0 Methodology

The research design employed is quantitative. Data was collected through questionnaires; the responses were converted into numbers for which statistical analysis was carried-out. Comprehensive discussion about the methodology is presented in the following subsections.

3.1 Population and Sample

The study was conducted in the seven states in north western Nigeria, which is predominantly Muslims region. These states include; Kano, Kaduna, Katsina, Jigawa, Kebbi, Sokoto and Zamfara with each having 1,794,358, 1,635,453, 1,296,386, 820,001, 692,104,700,106, and 692,104 microentrepreneurs respectively (SMEDAN-NBS, 2013). This gives a total of 7,660,768 microentrepreneurs. However, out of these totals, agriculture accounts for 8.92% of the microenterprises in the country. This gives an approximate figure of 683,340 microenterprises which involve in agribusiness in the region. Thus, Krejcie and Morgan (1970) sample size determination table was followed in estimating the sample size, which gives an approximate sample of 384. Therefore, proportionate non-random sampling was employed through which the questionnaires were distributed to each state based on its proportionate sample determined in line with the population of the microenterprises. Moreover, in each state a purposive sampling approach was followed based on the microentrepreneurs engage in agribusiness. Through extensive efforts a total of 367 valid responses were collected which account for 95.6% of the sample. This is considered sufficient in line with the suggestion of Sekaran (2003) who opined that a response rate of 30% can be considered adequate for statistical analysis. It also agrees with the suggestion of Fincham (2008) asserted that Chief Editors and Associate Editor expect approximately 60% response and about 80% in a survey. Thus, whether the former or the later recommendation is considered the study has achieved an acceptable level of response rate based on the sample.

3.2 Variables Measurement

The study has a total of 11 variables – one dependent variable and 10 independent variables. The 10 independent variables are divided into four sub-groups as contained in Fig. 1. Some of the variables have scale measurements while others have dichotomous or ordinal measures. For the dependent variables – acceptance intention of Islamic microfinancing, a scale measurement using five items was adapted from the study of Amin (2012), which was measured using 5 Likert scale. The first independent variable was measured using ordinal measurement based on ranking of income levels. The second independent variable is income

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source; it was measured using nominal measures as it is dichotomous having only two options - either the respondent is getting income from employment apart from the business income or only business income. The third independent variable which is individual financial condition was measured using scale measurement based the measures adopted from Alabede, Affrin and Kamil (2011). The fourth independent variable was measured as ordinal based on the ranking of educational qualifications. The fifth and sixth independent variables are additional marriage plan and childbearing plan which are based on the respondents' intention to marry additional wife/wives in the future and whether they plan to have large number of children. Given the fact that these have to do with one's intention, their measurements were modified into three items each based on intention measures adapted from Amin (2012). For the seventh and eighth independent variables; gender and marital status, it was measured using nominal measurements, because both are dichotomous; for gender- male and female, while for marital status either being single or married. For the nineth and tenth independent variables – number of wives and number of children it was measured as ordinal, because this is the existing numbers that respondents currently possess, it has nothing to do with intention as used for independent variables five and six. The details of the variables, their measures and reliability (where applicable) are reported in Table 1.

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Table 1: Variables Measurement

No	Variables	Role	Measurement	Measures	Alpha
1	Islamic Finance Acceptance	Dependent	Scale	1. I am interested to accept Islamic Micro financing 2. I am interested to accept Islamic Micro financing in the future 3. I am interested to accept Islamic Micro financing someday 4. I will like to accept Islamic Micro financing 5. I will definitely recommend the acceptance of Islamic Micro financing	**0.797**
2	Education level	Independent	Ordinal	(1) No Formal Education (2) SSCE/GCE (3) ND/NCE (4) HND/BSC (5) Master and above	Not Required
3	Income level	Independent	Ordinal	(1) Up to 18,000 (2)18,001-50,000 (3) 50,001-100,000 (4) Above 100,000.	Not Required
4	Income source	Independent	Nominal	If employment and business 0, business income only1.	Not Required
5	Financial condition	Independent	Scale	1. I am satisfied with my present financial situation. 2. I am living comfortably the way I should with present income 3. I handle the financial commitment of my extended family	**0.746**
6	Additional Wives plan	Independent	Scale	1. I am interested to have more than one wife if I have the means. 2. I am interested to have more than one wife in the future since it is allowed in my religion. 3. No matter how rich I become I prefer a single spouse (R).	**0.914**
7	Childbearing plan	Independent	Scale	1. I will wish to have many children if I have the means 2. Naturally, I would like to have many children. 3. I prefer to have many children **only** when I have the means to cater for their needs (R).	**0.824**
8	Gender	Independent	Nominal	If Female 0, Male1	Not Required
9	Marital status	Independent	Nominal	If Single 0, Married 1.	Not Required
10	Wives	Independent	Ordinal	(1) One (2) Two (3) Three (4) Four	Not Required
11	Children	Independent	Ordinal	(1) Nil, 1 (2) 1-4 (3) 5-10 (4) Above 10	Not Required

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3.3 Analytical Procedures

The statistical procedure employed in the analysis is regression. In conducting this analysis, effort was made to make sure that all the assumptions of multivariate regression analysis were met in terms of data normality and collinearity of the variables. Prior to this, descriptive analysis of the study's variables was conducted so as to understand the dispersion of the responses in terms of minimum, maximum, mean and standard deviation scores. The analyses were performed using the Special Package for Social Sciences (SPSS) version 19.0.

2.0 Results

In this section the results of the data analysis are presented. This includes the descriptive analysis of the study's variables, the test of normality of the study's data for each of the variables, the collinearity diagnostics of the independent variables as well as the main regression analysis for hypotheses testing.

4.1 Description Analysis

The essence of conducting this analysis to understand the dispersion of responses for each of the variables under the study and to ensure that the values are within the measurement format proposed in the methodology so as to avoid data imputation errors in which wrong figure would be recorded during the data entry. In achieving this, four criteria were used including the analysis of minimum, maximum, mean and standard deviation scores as depicted Table 2.

Table 2: Descriptive Statistics

	N	Minimum	Maximum	Mean	SD
Social Risk Factors	Statistic	Statistic	Statistic	Statistic	Statistic
Income Level	367	1.00	4.00	2.1580	.93041
Income Sources	367	1.00	2.00	1.5967	.49675
Financial Condition	367	1.00	5.00	3.4015	.94050
Education Level	367	1.00	5.00	2.8474	1.21405
Additional Marriage Plan	367	1.00	5.00	3.6876	.90394
Childbearing Plan	367	1.00	5.00	3.7902	.93984
Gender	367	1.00	2.00	1.0518	.22187
Marital Status	367	1.00	2.00	1.7057	.52328
Number of Children	367	1.00	4.00	2.0054	.97788
Number of Wives	367	1.00	4.00	1.9946	.96946

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The result of the descriptive statistics in Table 2 revealed 367 respondents participated in the survey which confirmed the response rate reported in 3.1. It also showed that the minimum and maximum values are within the values specified in the measurements for each of the variables under the study. The mean scores ranged from the lowest of1.0518 to the highest of 3.7902, these are for gender and childbearing plan. Gender has the lowest mean value because its measurement is one 1 and 2 while that of childbearing is based on a scale of 1 to 5. Correspondingly, the scores for the standard deviation are in line with mean values.

4.2 Test of Data Normality

Assessing the normality of a data is one of the fundamental requirements of regression analysis (Osborne & Waters, 2002). It is required that the data should be normally distributed. In assessing the normality of the data, the recommendation of Curran, West and Finch (1996) and West, Finch and Curran (1995) were followed; this suggested that the values should be less than 2 and 7 for Skewness and Kurtosis respectively. Table 3 revealed the results of the normality test.

Table 3: Normality of the Data

	N	Skewness		Kurtosis	
Social Risk Factors	Statistic	Statistic	Std. Error	Statistic	Std. Error
Income Level	367	.315	.127	-.831	.254
Income Sources	367	-.329	.127	-1.724	.254
Financial Condition	367	-.447	.127	.053	.254
Education Level	367	-.313	.127	-1.138	.254
Additional Marriage Plan	367	-.617	.127	.263	.254
Childbearing Plan	367	-1.170	.127	1.572	.254
Gender	367	1.063	.127	4.585	.254
Marital Status	367	.150	.127	1.509	.254
Number of Children	367	.712	.127	-.484	.254
Number of Wives	367	.934	.127	.606	.254

Therefore, it is evident from Table 3 that the data is normal as none of the variables exceed the acceptable threshold of 2 and 7 for Skewness and Kurtosis accordingly.

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4.3 Test of Collinearity of the Variables

Test of collinearity is another postulation of regression analysis (Osborne & Waters, 2002). This requires that the independent variables should not be highly correlated through multi-collinearity. When this happens, the variables affected performs same function in the research model, thus, one of them could be redundant. To test multi-collinearity, Hair, Ringle and Sarstedt (2013) and Hair et al. (2016) suggested the use of Variance Inflation Factor (VIF) and Tolerance of 5 and .20 respectively. The result of collinearity diagnostics using these two suggested approaches is reported in Table 4.

Table 4. Test of Collinearity

Social Risks Factors	Tolerance	VIF
Socio-economic conditions Factors		
Income Level	0.624	1.603
Income Source	0.588	1.701
Economic Condition	0.798	1.253
Education Level	0.576	1.735
Cultural Context Factors		
Additional Wives Plan	0.686	1.457
Children Bearing Plan	0.685	1.459
Gender Factor		
Gender	0.934	1.071
Social Relationship Factors		
Marital Status	0.55	1.818
Number of Children	0.319	3.139
Number of Wives	0.365	2.739

It can be concluded from Table 4 that multi-collinearity is not a concern in this study as all the variables have VIF of less than 5 and tolerance above 0.20 as suggested by Hair et al., (2013) and Hair et al., (2016). The result of the regression analysis for testing the hypothesis of the study is presented in the following subheading.

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4.4 Regression Analysis for Hypothesis Testing

Following the satisfaction of the important assumptions of regression analysis relating to the normality of data and linearity of the variables, this section presents the results of the hypotheses testing in Table 5 for the validation of the framework proposed in Fig.1.

Table 5: Regression Results

Hypothesized Relationships	Beta	S. E	T Statistics	P-value	Decisions
Socio-economic conditions Factors					
Income Level -> Acceptance Intention	0.06	0.07	0.85	0.20	Not Supported
Income Source -> Acceptance Intention	0.08	0.06	1.48	0.07	Supported
Financial Condition -> Acceptance Intention	0.01	0.05	0.18	0.43	Not Supported
Education -> Acceptance Intention	0.05	0.07	0.65	0.26	Not Supported
Cultural Context Factors					
Add Wives Plan-> Acceptance Intention	0.15	0.08	2.00	0.02	Supported
Childbearing Plan -> Acceptance Intention	0.23	0.07	3.23	0.00	Supported
Gender Factor					
Gender -> Acceptance Intention	0.05	0.06	0.81	0.21	Not Supported
Social Relationship Factors					
Marital Status -> Acceptance Intention	0.09	0.06	1.43	0.08	Supported
Number of Wives -> Acceptance Intention	0.21	0.07	3.13	0.00	Supported
Number of Children -> Acceptance Intention	0.11	0.08	1.33	0.09	Supported

Table 5 reports the results of the hypothesized relationships. It can be recalled that hypotheses 1 (a) to (d) relate to the influence of socio-economic conditions factors on intention to accept Islamic microfinancing. Specifically, hypothesis 1(a) proposed that income level has a significant influence on intention to accept Islamic microfinancing. However, result revealed contrary finding (β=0.06, t=0.85, p=0.20). It revealed that income level has insignificant influence on intention to accept Islamic microfinancing among agribusiness microentrepreneurs in north western Nigeria. Hypothesis 1 (b) postulated that income source has a significant influence on intention to accept Islamic microfinancing.

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Interestingly, this hypothesis was supported (β=0.08, t=1.48, p=0.07). It implied that agribusiness microentrepreneurs with only business income without employment income will be more likely to accept Islamic microfinancing. Hypothesis 1 (c) proposed that individual financial condition has a significant influence on intention to accept Islamic microfinancing. However, the result failed to support this postulation (β=0.01, t=0.18, p=0.43). Though the result indicates that agribusiness microentrepreneurs with better financial condition could be more likely to accept Islamic microfinancing, however, such is not statistically significant. Lastly, hypothesis 1 (d) proposed that educational level has a significant influence on intention to accept Islamic microfinancing. Despite that the result showed positive influence (β=0.05, t=0.65, p=0.26) but such is not statistically significant.

The second sets of factors are those relating to cultural context in terms of additional wives' plan and childbearing plan, in this, hypothesis 2 (a) postulates that there is significant positive relationship between a plan to have additional wife/wives and the intention to accept Islamic microfinance. Consistent with this postulation the result revealed significant positive relationship (β=0.15, t=2.00, p=0.02). It implied that holding other factors constant, agribusiness microentrepreneurs with plan to marry additional wives have more likelihood to accept Islamic microfinancing. Similarly, the supposition of hypothesis 2 (b) which proposed that there is positive relationship between additional childbearing plan and intention to accept Islamic microfinancing was also supported (β=0.23, t=3.23, p=0.00). This implied that, holding other factors constant, agribusiness microentrepreneurs with plan to have more children in the future would be more likely to accept Islamic microfinancing.

The third social risk factor proposed in the model is gender. In this, it was proposed through hypothesis 3 (a) that gender has a significant influence on intention to accept Islamic microfinancing. However, the result from the test of this hypothesis revealed insignificant influence of gender on intention to accept Islamic microfinancing (β=0.05, t=0.81, p=0.21). This implied that not much difference was found across gender in the intention to accept Islamic microfinancing.

The last sets of factors are those relating to social relationships; these include marital status, current number of wives and existing number of children. In this, hypothesis 4 (a) posits that marital status has a significant influence on intention to accept Islamic microfinancing. Interestingly, the result supports this postulation (β=0.09, t=1.43, p=0.08). The result signifies that agribusiness microentrepreneurs who are married would be more likely to accept Islamic microfinancing compared to those who are single. Similarly, hypothesis 4 (b) proposed that number of existing wives has a significant influence on the agribusiness microentrepreneurs' intention to accept Islamic microfinancing. The result support this postulation (β=0.21, t=3.13, p=0.00). It showed that the higher the number of existing wives hold by an agribusiness microentrepreneur, the higher could he his intention to accept Islamic microfinancing. Lastly, the result also support hypothesis 4 (c) which proposed that number of existing children possesses by an agribusiness microentrepreneur could have a significant influence on his/her intention to accept Islamic microfinancing (β=0.11, t=1.33, p=0.09). This implied that the higher the numbers of existing children hold

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by an agribusiness microentrepreneur, the more likelihood for the acceptance of Islamic microfinancing.

4.5 Practical and Theoretical Implications

The study has both practical and theoretical implications. The practical implication relates to the providers of Islamic microfinance, that is both core Islamic financial institutions, and the conventional institutions with Islamic finance windows. In this, the finding implied the need for careful evaluation of social risk factors in providing the relevant finances to the agribusiness microentrepreneurs especially for profit-based lending. This is to ensure that the finances are used for business empowerment purposes rather than solving self-enforced social problems and social ceremonies. It also highlights the need for Islamic social financing through Zakat and Qardul-Hassan financing to address the genuine social risks factors. Theoretically, the study expands the understanding on the determinants of Islamic microfinance acceptance through the deployment of SRF-VBP framework into Islamic finance literature. Earlier studies focused on behavioral factors through the application of traditional behavioral theories mainly Theory of Reasoned Action (TRA) and Theory of Planned Behavior (TPB) in modelling Islamic microfinance acceptance. To the researchers' knowledge the use of SRF-VBP framework to explain the influence of social risks factors on Islamic microfinance acceptance has not been availed in the literature.

5.0 Conclusions and Recommendation

The paper proposed and validated the shift from the application of traditional behavioral theories such as TRA and TPB through the deployment of SRF-VBP Framework with modifications to examine the influence of social risk factors – socio-economic condition (education level, income level, income source, and financial condition), cultural context (additional wives plan and childbearing plan), gender (male or female) and social relationships (marital Status, number of wives, number of children) on the acceptance of Islamic microfinancing by agribusiness microentrepreneurs in Northwestern Nigeria. The model was validated through the application of regression analysis to test the proposed hypotheses, which provides evolutionary findings with regards to the effect of social risks factors on Islamic microfinancing acceptance. Importantly, these findings emerged from rare sector; agribusiness microentrepreneurs. Earlier efforts were mainly centered on acceptance of Islamic home financing and general banking services.

The findings relating to the insignificant influence of income level, financial condition and educational level on the intention to accept Islamic microfinancing is contrary to the postulation of SRF-VBP Framework (National Academies of Sciences, Engineering, and Medicine, 2017; Alabede, Ariffin, & Idris, 2011; Amin, et al., 2014). These studies highlight the significant influence of income level; financial condition and educational level respectively on the acceptance of payments and financing behaviors. The possible explanation could be that the respondents have closely same income level as they are low-income earners within the scope of capital for microentrepreneurs, and also no much variation in terms of their educational qualifications. Contrarily, the result on the influence of income source revealed a significant influence on intention to accept Islamic microfinancing.

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This finding is pioneering at the literature was not found on the influence of different source of income on Islamic microfinance acceptance. The implication of this finding it that Islamic microfinance could be more desired by agribusiness microentrepreneurs with only business source of income compared to those with combined business and employment income.

The finding of the study relating to the significant positive relationship between additional wives' plan, additional childbearing plan and intention to accept Islamic microfinancing is consistent with the other studies in the literature such as Kayani et al., (2016) and Nagahage and Dilrukshi (2012) who reported that some individuals take agriculture loan and misused it for non-agricultural purposes like construction of house, purchase of vehicles and marriage as well as catering for unforeseen expenses relating to illness or death, legal and ceremonial expenditure. The finding regarding the insignificant influence of gender on the acceptance of Islamic microfinancing is consistent with the finding of Amin, et al. (2014) who disclosed that gender has little influence in the acceptance of Islamic home financing, as well as that of Haider, et al. (2018) who found that no significant difference across gender in terms of perceived financial cost and social norms in relation to Islamic mobile banking adoption. This implied that social issues relating to gender difference has no influence on the acceptance of Islamic microfinance among agribusiness microentrepreneurs particularly in northwest Nigeria.

The result on the significant influence of marital status, number of existing wives, and number of existing children on the intention to accept Islamic microfinancing could be supported by the suppositions of SRF-VBP Framework which highlights that social relationships factors affect behavior to use health care services. In this regard, this study found that social relationships factors could affect intention to use Islamic microfinance. Further, the specific finding on the influence of marital status on intention to use Islamic microfinance by agribusiness microentrepreneurs is consistent with the findings of Amin, et al. (2014) with respect to Islamic home financing. However, the findings on the influence of number of existing wives, and number of existing children are pioneering in this study as literature falls short in providing empirical evidence in these regards. The implication of these findings is that the higher the numbers of existing wives and children, the higher could be the intention to accept Islamic microfinance among agribusiness microentrepreneurs in the region.

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