



## Small and Medium Scale Enterprises (SMES) Financing and Sustainable Economic Growth in Nigeria

Johnson Kolawole Olowookere<sup>1</sup>, Christiana Onyohu Hassan<sup>2</sup>,  
Aliu Olusola Adewole<sup>3</sup>, Timothy Aderemi<sup>4</sup>

**Abstract:** The investigation into the relationship between SMEs financing and sustainable economic growth between 1992 and 2019 has been carried out in this study. After various pre-estimation tests such as unit root and cointegration were carried out, the study utilized Fully Modified Ordinary Least Square and Granger causality approach. Consequently, the following important findings were emerged from this study as follows; broad money supply and GDP growth rate have insignificant inverse relationship. Commercial banks loans to SMEs and GDP growth rate possess a positive and significant relationship. Gross fixed capital formation and commercial bank total credit to private sector showed an insignificant positive relationship with GDP growth rate. Moreover, a unidirectional causality flows from broad money supply to gross fixed capital formation. Similarly, one way feedback runs from GDP growth rate to commercial banks loans to SMEs. Hence, it could be submitted that SMEs financing contributed to sustainable economic growth in Nigeria in one hand. And sustainable economic growth is the motivation behind the commercial banks loans to SMEs in Nigeria on the other hand. From these important findings that emerged from this study, it is important to state that any time the goal of policymakers in Nigeria is sustainable economic growth, SMEs financing should be their priority. And as such, the Central Bank of Nigeria should embark on policy measure that will ensure the priority of the commercial banks' credit policy in the direction of SMEs on a sustainable manner.

**Keywords:** SMEs Financing; Commercial Banks Loans; Sustainable Economic Growth

**JEL Classifications** M20; M21; M13

### 1. Introduction

It has been established that the roles of small and medium scale enterprises in the socio-economic transformation in any country cannot be undermined (CBN, 2005; Micah and Manzo, 2014). These enterprises have been recognized as the driver of economic growth, agent of industrial development

<sup>1</sup> Department of Accounting, Osun State University, Osogbo, Nigeria, Address: Main Campus, Oke Bale Street, Area 210001, Osogbo, Nigeria, E-mail: Johnson.olwookere@uniosun.edu.ng.

<sup>2</sup> Department of Economics, Accounting and Finance, Bells University of Technology, Ota, Nigeria, Address: km 8 Idiroko Rd, benja village, Ota, Nigeria, E-mail: Hassanchristiana3@gmail.com.

<sup>3</sup> Financial Controller, Gary Young Agencies Limited, Prince George, British Columbia, Canada, Address: 1085 Great St, Prince George, BC V2N 2K8, Canada, E-mail: adewoleolusola@yahoo.com.

<sup>4</sup> Department of Economics, Accounting and Finance, Bells University of Technology, Ota, Nigeria, Corresponding author: taaderemi@bellsuniversity.edu.ng.

and promoter of poverty eradication in both the developing and advanced economies (Aderemi *et al.* 2019; Aderemi *et al.* 2020: a; Yaya, 2015; Ayanda & Adeyemi, 2011; Micah & Manzo, 2014).

The important contributions of small and medium scale enterprises to the sporadic growth of GDP in developed economies have motivated the policymakers in these countries to provide an enabling environment such as technical and financial assistance for these enterprises to thrive. Meanwhile, in developing countries, inadequate or lack of access to finance has always been a major constraint to operation and survival of small and medium scale enterprises (World Bank, 2014). This shows that finance plays a very strategic role in the growth and development of business enterprises in any society. The availability of credit is a vital ingredient in both the starting and expanding of business ventures in which the role of financial institutions cannot be overemphasized (Owenvbiugie & Igbinedion, 2015; Abu, 2012; Onyeneke & Iruo, 2012).

However, an attempt to facilitate the inflows of financial services towards the small and medium business enterprises subsector, the Nigerian government has embarked on a number of policies and programmes targeting these businesses (Oni & Daniya, 2012). In spite of these efforts, small scale enterprises have not experienced appreciable development in Nigeria due to the lack of attention from the Nigerian government (Akinbode & Imhonopi, 2015). Meanwhile, it has been observed over the time that one of the serious limiting factors to the development of businesses in Nigeria is lack of access to finance (Bakare and Babatunde (2014); Evbuomwan, Ikpi, Okoruwa & Akinyosoye, 2013; World Bank, 2015 Babajide, 2012). Meanwhile, achieving the sustainable development goals in developing country like Nigeria has redirected the focus the nation towards sustainable economic growth via development of small and medium business enterprises. In view of the above small scale entrepreneurship financing becomes highly imperative in Nigeria in the recent times. It is imperative to provide an empirical evidence to substantiate whether small scale financing could spark off economic growth in Nigeria because literature has been silence about this in the most recent times. In moving the frontiers of knowledge, this study examined entrepreneurship financing and economic growth using the Nigerian small scale enterprises as the case study.

The foundation of this study is laid in the introductory aspect, while the next section focuses on the review of the relevant literature, methodology, discussion of results and policy implication of the paper.

## 2. Review of Relevant Literature

Financing entrepreneurship has been one of the areas in the literature that received a global attention, especially in the developing countries. And as such, this section of the study provide a detailed perception of the various scholars regarding entrepreneurship financing and other macroeconomic variables in different economies at different times.

Consequently, Ofeimun, Nwakoby and Izekor (2018) researched how micro financing and small businesses were linked in Nigeria from 1990 to 2015 with the aid of the ordinary least square regression. It was discovered that micro financing caused a direct influence on the growth of the business in Nigeria. In another related work, Ogbo and Nwachukwu (2012) carried out study focusing on SMEs entrepreneurship and economic development in Nigeria. The study randomly selected a total of 100 SMEs in all the Nigerian states using a statistical analysis. The following are the principal findings that originated in this study; small and medium enterprises did not meet the need of the

Nigerian populace due to the fact that various problems such as attitude and habits of SMEs in addressing environmental related variables and perpetual changes in the policy of the state. In another study, Ahmed (2015) conducted a study in Mogadishu (Somalia) which focuses on investigation of how microfinance institutions could eradicate poverty challenges in the country with application of survey method. It could be established from the study the aftermath effect of microfinance institutions led to eradication of poverty in the country. While evaluating the nexus between poverty eradication and entrepreneurship financing in the Nigerian economy from 1990 to 2018, Ogunleye *et al.* (2020) applied Autoregressive Distributed Lagged, Bounds test and Error Correction Model to conclude that financing of SMEs like food processing business and manufacturing resulted in the reduction of poverty in both the short run and long run respectively.

However, Akingunola, Olowofela and Yunusa (2018) examined aftermath effect of micro financing in growing micro and small enterprise in Ogun State of Nigeria using a simple regression for 408 samples selected for the study. The author concluded that there was a negative linkage between the selected MSEs and intermediary financial services, but the reverse was the case of microcredit and expansion of the selected business. In another perspective, Aderemi *et al.* (2019) looked at how the Nigerian economy could achieve nation building through entrepreneurship financing employing econometric techniques such as ARDL model. It was argued from the study that financing of entrepreneurship did not metamorphosed to nation building in Nigeria. Bosma *et al.* (2018) utilized a 3SLS technique to examine the relationship between entrepreneurship, institutions and economic growth from 2003 to 2014 in 25 European countries. It was established that entrepreneurship and institutions led to economic growth. Bruns *et al.* (2017) employed a latent class model to analyze the linkage between entrepreneurship and growth while controlling for variation in the marginal contribution of entrepreneurship to growth across the classes. It was discovered from the study that institutions contributed in the process of making entrepreneurship more productive. Masato, and Troilo (2015) utilized both quantitative and qualitative approaches to examine how financing of small and medium enterprises (SMEs) contributed to the Asia-Pacific region. The authors argued that the SMEs financing was a critical constraint to SMEs development.

Furthermore, in SMEs survey conducted in Thailand, Chittithaworn *et al.* (2011) discovered that one of the top factors hindering entrepreneurs and their activities was financing alongside SME characteristic and other factors like the way of doing business and external environment. Similarly, Khandker *et al.* (2013) examined how financing bottleneck affected SMEs in Bangladesh. The study posited that less than 10 percent of SMEs in the country have access to formal credit like loans from banks or microcredit. It was also estimated that the profit margin of enterprises was reduced as result of lack of finance in the country. In another study like Tanaka and Molnar (2008) in China asserted that informal lenders have the tendency to focus on current operations of the borrowers, especially the size of receivables, whereas formal givers of credit like banking institutions majorly rely on past performance of enterprises. This implies that an active market for receivables factoring could be a financing source for the constrained SMEs in China. While investigating the nexus between small enterprise growth and credit from microfinance with the case study of 120 firms in Sokoto state, Nigeria, Abdussalam and Tukur (2014) concluded that the use of multiple regression to argue that accessibility of microcredit led to a positive impact on the value of physical assets of the firms sampled for the study. Aderemi *et al.* (2020: b) assessed the impact of COVID-19 lockdown on sampled SMEs in Nigeria. The authors concluded that fall in production and turnovers of SMEs was moderate as a result of COVID-19 lockdown. Meanwhile, there was a spike in contracts reduction and deliveries observed during the pandemic. Taiwo *et al.* (2016) investigated nexus between microfinance

institutions and small businesses in Nigeria. It was discovered from the study that the contributions of micro-financing were very paramount to the promotion of businesses due to the fact micro financing led to the reduction of the resource gap in all the selected enterprises.

### 3. Methodology

The research design considered suitable in this study is an ex-post facto research design, this is because the interest of this study focuses on the viable relationship between dependent and independent variables and the description of how regressors predict variation in the dependent variable. However, the study utilized secondary data between 1992 and 2019, because availability of data for commercial banks loans to SMEs in Nigeria commenced from 1992 in the CBN statistical Bulletin. Furthermore, GDP growth rate and gross fixed capital formation data were sourced from the World Development Indicators and commercial banks loans to small scale enterprises, commercial bank total credit to private sector and broad money supply data were sourced from the statistical Bulletin of the Central Bank of Nigeria.

#### 3.1. Model Specification

Analyzing the relationship between SMEs financing and economic growth in this study requires the use of econometric model. This model could be developed by draw insights from the works of Ogunleye *et al.* (2020) and Aderemi *et al.* (2019). The specification of the model involves elimination of some variables that are not relevant to the subject matter of this study. The functional form of the model is as follows;

$$\text{Growth Rate} = f(\text{SMEs Financing}) \quad (1)$$

$$\text{GRR} = f(\text{CLSM}, \text{CTPS}, \text{BMS}, \text{GFCF}) \quad (2)$$

Introducing log to equation (2) transforms it into a linear relationship as follows;

$$\text{GRR}_t = \alpha + \beta_1 \text{LnCLSM}_t + \beta_2 \text{LnCTPS}_t + \beta_3 \text{LnBMS}_t + \beta_4 \text{LnGFCF}_t + u_t \quad (3)$$

#### The Direction of Causality between SMEs Financing and Sustainable Economic Growth in Nigeria.

The feedback relationship SMEs financing and sustainable economic growth was investigated within a pairwise granger causality analysis which the estimation was performed in the VAR model in equation (4-8) below.

$$\begin{aligned} \text{GRR}_t = & \alpha_0 + \sum_{i=0}^p \alpha_1 \text{GRR}_{t-1} + \sum_{i=0}^p \alpha_2 \text{CLSM}_{t-1} + \sum_{i=0}^p \alpha_3 \text{CTPS}_{t-1} + \sum_{i=0}^p \alpha_4 \text{BMS}_{t-1} + \\ & + \sum_{i=0}^p \alpha_4 \text{GFCF}_{t-1} + u_{1t} \end{aligned} \quad (4)$$

$$\begin{aligned} \text{CLSM}_t = & \beta_0 + \sum_{i=0}^p \beta_1 \text{CLSM}_{t-1} + \sum_{i=0}^p \beta_2 \text{CTPS}_{t-1} + \sum_{i=0}^p \beta_3 \text{BMS}_{t-1} + \sum_{i=0}^p \beta_4 \text{GFCF}_{t-1} + \\ & + \sum_{i=0}^p \beta_5 \text{GRR}_{t-1} + u_{2t} \end{aligned} \quad (5)$$

$$CTPS_t = \gamma_{20} + \sum_{i=0}^p \gamma_{21} CTPS_{t-1} + \sum_{i=0}^p \gamma_{22} CLSM_{t-1} + \sum_{i=0}^p \gamma_{23} BMS_{t-1} + \sum_{i=0}^p \gamma_{24} GFCF_{t-1} + \sum_{i=0}^p \gamma_{25} GRR_{t-1} + u_{3t} \quad (6)$$

$$BMS_t = \gamma_0 + \sum_{i=0}^p \gamma_1 BMS_{t-1} + \sum_{i=0}^p \gamma_2 CTPS_{t-1} + \sum_{i=0}^p \gamma_3 CLSM_{t-1} + \sum_{i=0}^p \gamma_4 GFCF_{t-1} + \sum_{i=0}^p \gamma_5 GRR_{t-1} + u_{4t} \quad (7)$$

$$GFCF_t = \gamma_{10} + \sum_{i=0}^p \gamma_{11} GFCF_{t-1} + \sum_{i=0}^p \gamma_{12} CTPS_{t-1} + \sum_{i=0}^p \gamma_{13} CLSM_{t-1} + \sum_{i=0}^p \gamma_{14} BMS_{t-1} + \sum_{i=0}^p \alpha_{15} GRR_{t-1} + u_{5t} \quad (8)$$

Where; GRR is GDP growth rate, and it is used to measure sustainable economic growth. CLSM is commercial banks loans to SMEs. CTPS is used to proxy commercial bank total credit to private sector. BMS represents broad money supply and GFCF denotes gross fixed capital formation. It is expected that  $\beta_1 \beta_2 \beta_3$  and  $\beta_4 > 0$ .

**Table 1. Descriptive Statistics of Annual Data Series (1992-2019)**

Descriptive Statistics	GRR	LnBMS	LnCLSM	LnGFCF	LnCTPS
Mean	4.929643	7.944021	10.23502	3.262271	14.53423
Median	4.050000	8.059975	10.26995	3.275948	14.63940
Maximum	33.70000	10.18997	11.40952	3.972554	16.61888
Minimum	-1.600000	4.710542	9.282464	2.651127	11.23131
Std. Deviation	6.309141	1.755601	0.674654	0.438191	1.815940
Skewness	0.486001	0.298637	0.175538	0.071567	0.340117
Kurtosis	1.673739	1.706271	1.732994	1.590305	1.687556
Jargue-Bera	2.768789	2.368883	2.016652	2.342348	2.549431
Probability	0.000000	0.305917	0.364829	0.310003	0.279510
Sum	138.0300	222.4326	286.5805	91.34358	406.9585
Sum. Sq. Deviation	1074.742	83.21768	12.28928	5.184312	89.03620
Observation	28	28	28	28	28

Source: Authors Calculation (2021)

Table 1 shows the results of the descriptive statistic of the estimated variables of interest. Descriptive statistic is very important in showing various characteristics of data series that could be of relevance in determining the normal distribution of the dataset. Firstly, GRR used to proxy GDP growth rate from 1992 to 2019 in Nigeria had -1.6% and 33.7% as minimum and maximum values concurrently. The mean value of the data is 4.9% alongside of standard deviation of 6.3%. The implication of this is that the GDP growth rate data dispersed widely from its mean because the standard deviation is greater than its mean value. In the same vein, the skewness of the dataset is positive and had the Kurtosis value to be 1.6; this makes the data not to satisfy a symmetrical distribution assumption.

Consequently, broad money supply in log form has a minimum and maximum values of 4.7 and 1.76 respectively. The mean value of the variable is 7.9 which is greater than its standard deviation. This implies that the data is moderately dispersed from its mean. In the same vein, the data is positively skewed with the Kurtosis value not that far from 3. This attests to the fact that broad money supply data satisfies a symmetrical distribution assumption. Moreover, CLSM, GFCF and CTPS in log form have mean values that are greater standard deviation. In the same vein, the variables have positive

skweness with Kurtosis values that are not far from 3. Therefore, some of these data agreed with symmetrical distribution assumption. And such these data could be employed for further econometric analysis.

**Table 2. Unit Root Test**

Variables	ADF Test				Decision
	Level	Prob.	1 <sup>st</sup> Dif.	Prob.	
GRR	-2.976263	0.0047			I(0)
LnBMS	-2.976263	0.0127			I(0)
LnCLMS	-2.976263	0.6463	-2.981038	0.0263	I(1)
LnGFCF	-2.976263	0.2499	-2.981038	0.0006	I(1)
LnCTPS	-2.976263	0.9951	-2.981038	0.0132	I(1)
Variables	PP Test				I(0)
	Level	Prob.	1 <sup>st</sup> Dif.	Prob.	
GRR	-2.976263	0.0047			I(0)
LnBMS	-2.976263	0.0567			I(1)
LnCLMS	0.5434	-2.976263	-2.981038	0.0275	I(1)
LnGFCF	-2.976263	0.1068	-2.981038	0.0002	I(1)
LnCTPS	-2.976263	0.9951	-3.711457	0.0132	I(1)

Source: authors' calculation (2021) \*\*\* %5 level

One of the major pre-tests in time series data analysis is the test for stationarity otherwise known as a unit root test. This test is highly paramount because it could minimize or eliminate a spurious or nonsense result in an analysis. As a result of this, the study used the standard Augmented Dickey-Fuller (ADF) and Phillips-Perron (PP) tests to investigate whether the dataset possesses a unit root or not. The estimated results in the above table indicate that GDP growth rate and log BMS are stationary in their natural form. It implies that the data are I (0) data. However, CLMS, GFCF and CTPS all in log form are stationary after first differencing. This shows that the data are I (1) data. In other words, this study utilized data with the mixture of various order of integrations, which could have implication for the variables to possess some level of divergence in the short run. But, the divergence could return to equilibrium in the long run. Therefore, a multivariate cointegration test by Johansen and Juselius (1990) was employed in the next table to test the long run relationship between the variables.

**Table 3. Johansen Cointegration Test (Trace Statistics) and (Maximum Eigen value)**

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	P-Value	Max-Eigen Statistic	P-Value
None *	0.768744	80.86331	0.0051	38.07003	0.0149
At most 1 *	0.517919	42.79328	0.1377	18.97073	0.4168
At most 2 *	0.421093	23.82255	0.2080	14.21197	0.3479
At most 3 *	0.308443	9.610580	0.3119	9.589046	0.2403
At most 4 *	0.000828	0.021534	0.8832	0.021534	0.8832

Source: Authors' Calculation (2021)

The table above shows the estimated results of the long run equilibrium relationship between entrepreneurship financing and sustainable economic growth in Nigeria within the context of Johansen

Cointegration Test. It could be therefore deduced from the above table that at least four (4) cointegration vectors existed among the variables. Hence, entrepreneurship financing and sustainable economic growth possess a long run convergence in Nigeria.

**Table 4. Entrepreneurship Financing and Sustainable Economic Growth in Nigeria**

Dependent Variable: GRR  
Method: FMOLS

Regressors	Coefficient	T-statistics	Prob. Value
Ln BMS	-2.618766	0.278089	0.7835
Ln CLMS	4.392702**	2.510251	0.0199
Ln GFCF	4.040532	0.401140	0.6922
Ln CTPS	4.302756	0.529203	0.6020
R-Squared	0.64		

Source: authors' calculation (2021) \*\*\*Significant at 1% \*\*significant at 5% \*Significant at 10%

The estimates of the long run relationship between entrepreneurship financing and sustainable economic growth within the framework of the Fully Modified Ordinary Least Square technique were reported in the above table. It is only broad money supply that did not possess the expected sign. Looking at the R-Squared which is 0.54 shows that BMS, CLMS, GFCF and CTPS jointly explained about 64% of the systematic variations in GDP growth rate. This means that the model is relatively good in running the analysis. Moreover, broad money supply in its log form had a negative but insignificant relationship with GDP growth rate in Nigeria. However, commercial banks loans to SMEs and GDP growth rate had positive and significant relationship. A unit change in commercial banks loans to SMEs brings about 0.043% increment in GDP growth rate in the country. In the same vein, gross fixed capital formation and commercial bank total credit to private sector showed an insignificant positive relationship with GDP growth rate. Therefore, it could be submitted that SMEs financing contributed to sustainable economic growth in Nigeria. This finding is in tandem with the arguments of Bosma *et al.* (2018) in 25 European countries and Taiwo *et al.* (2016) in Nigeria. Meanwhile, the finding contradicts the submissions of Aderemi *et al.* (2019) in Nigeria, Batsaikhan (2015) in the Asia-Pacific region and Khandker *et al.* (2013) in Bangladesh.

**Table 5. Pairwise Granger Causality Test between SMEs Financing and Sustainable Economic Growth**

Null hypothesis	F-statistic	Prob.	Decision	Causality
Log GFCF does not Granger Cause Log BMS	0.54225	0.5894	Reject	Unidirectional
Log BMS does not Granger Cause Log GFCF	4.49493	0.0237	Accept	
Log CLMS does not Granger Cause Log BMS	0.79884	0.4631	Reject	
Log BMS does not Granger Cause Log CLMS	0.37592	0.6912	Reject	Unidirectional
GRR does not Granger Cause Log BMS	2.39585	0.1155	Reject	
Log BMS does not Granger Cause GRR	0.40803	0.6701	Reject	
GRR does not Granger Cause Log GFCF	0.15841	0.8545	Reject	
Log GFCF does not Granger Cause GRR	0.57920	0.5690	Reject	
GRR does not Granger Cause Log CLMS	3.74138	0.0408	Accept	
Log CLMS does not Granger Cause GRR	2.60515	0.0976	Reject	

Source: Authors' Calculation (2021)

Besides cointegrating relationship that exists among the various variables of interest in this study, further efforts were made by the researchers to subject the variables of interest to causal analysis within the framework of Pairwise Granger Causality technique. The results presented in the above table indicate that a unidirectional causality flows from broad money supply to gross fixed capital formation. Similarly, one way feedback runs from GDP growth rate to commercial banks loans to SMEs. This implies that sustainable economic growth is the motivation behind the commercial banks loans to SMEs in Nigeria.

#### 4. Conclusion and Recommendation

The investigation into the relationship between SMEs financing and sustainable growth from 1992 to 2019 has been carried out in this study utilizing Fully Modified Ordinary Least Square and Granger causality approach. Various pre-tests such as unit root and cointegration were carried out. Consequently, the following important findings were emerged from this study as follows; broad money supply and GDP growth rate have insignificant inverse relationship. Commercial banks loans to SMEs and GDP growth possess a positive and significant relationship. Gross fixed capital formation and commercial bank total credit to private sector showed an insignificant positive relationship with GDP growth rate. Moreover, a unidirectional causality flows from broad money supply to gross fixed capital formation. Similarly, one way feedback runs from GDP growth rate to commercial banks loans to SMEs. Hence, it could be submitted that SMEs financing contributed to sustainable economic growth in Nigeria in one hand. And sustainable economic growth is the motivation behind the commercial banks loans to SMEs in Nigeria on the other hand. From these important findings that emerged from this study, it is important to state that any time the goal of policymakers in Nigeria is sustainable economic growth, SMEs financing should be their priority. And as such, the Central Bank of Nigeria should embark on policy measure that will ensure the commitment of the commercial banks credit policy in the direction of SMEs on a sustainable manner.

#### References

- Abdussalam, D. O. & Tukur, M. N. (2014). Access to microfinance and small enterprise growth in Sokoto State, Nigeria. *World Review of Business Research*, 4(1), pp. 62-75.
- Abu, I. N. & Ezike, J. E. (2012). The Role and Sustainability of Microfinance Banks in Reducing Poverty and Development of Entrepreneurship in Urban and Rural Areas in Nigeria. *International Journal of Business Administration*, 3(3).
- Aderemi, T.A.; Tolulope, A. C.; Adedayo, A. & Arinola, B. L. (2019). Entrepreneurship Financing and Nation Building in Nigeria: Evidence from Agricultural Small and Medium Scale Enterprises. *Management Studies and Economic Systems*, 4(4), pp. 315-330.
- Aderemi, T. A.; Efunbajo, S. A.; Amusa, B. O. & Rasheed, O. I. (2020; b). Does Entrepreneurship Financing Contribute To Poverty Eradication In Nigeria? Evidence from Small and Medium Scale Enterprises. *Journal of Academic Research in Economics*, 12(2); pp. 312-322.
- Aderemi, T. A.; Lucas, B. O.; Okoh, J. I. & Efunbajo, S. A. (2020). Impact of Corona Virus (COVID-19) Pandemic on Small and Medium Scale Enterprises (SMEs) in Nigeria: A Critical Case Study. *Acta Universitatis Danubius. Economica*, Vol. 16(4), pp. 251-261.
- Ahmed, M. D. (2015). The challenges facing microfinance institutions in poverty eradication: A case study in Mogadishu. *International Journal of Humanities Social Sciences and Education (IJHSSE)*, 2(2), pp. 5662.

- Akingunola, R. O.; Olowofela, E. O. & Yunusa, L. (2018). Impact of Microfinance Banks on Micro and Small Enterprises in Ogun State, Nigeria. *Binus Business Review*, 9(2), pp. 163-169.
- Ayanda, L. B & Adeyemi S. (2011). An Emperical study of Small Scale financing in Nigeria. *Journal of Unilorin Business School*, 1 (1).
- Babajide, A. (2012). Effects of microfinance on Micro and Small Enterprises (MSEs) growth in Nigeria. *Asian Economic and Financial Review*, 2(3), pp. 463-477.
- Bakare & Babatunde (2014). Prospects and Challenges Facing Small and Medium Scale Enterprises in Oyun Local Government Area of Kwara State, Nigeria. *Fountain Journal of Management and Social Sciences*, 3(1).
- Bosma, N.; Content, J.; Sanders, M. & Stam, E. (2018). Institutions, entrepreneurship, and economic growth in Europe. *Small Bus Econ*, 51, pp. 483–499.
- Bruns, K.; Bosma, N.; Sanders, M. & Schramm, M. (2017). Searching for the existence of entrepreneurial ecosystems: a regional cross-section growth regression approach. *Small Business Economics*, 49(1), pp. 31–54.
- Central Bank of Nigeria (2005). Enugu Zone. A profile of Regional/Zonal poverty in Nigeria: The case of Enugu zone, in measuring and monitoring poverty in Nigeria. *Proceedings of the seventh Annual conference the Zone Research Units*.
- Chittithaworn, C.; Islam, A.; Keawchana, T. & Yusuf, D.H. (2011). Factors affecting business success of small & medium enterprises (SMEs) in Thailand. *Asian Social Science*, 7(5), pp. 180-190.
- Evbuomwan, G.O.; Ikpi, A. E.; Okoruwa, V. O. & Akinyosoye, V.O. (2013). Sources of finance for micro, small and medium enterprises in Nigeria. *Paper presented at the 19th International Farm Management Congress, SGGW, Warsaw, Poland*.
- Khandker, S. R.; Samad, H. A. & Ali, R. (2013). Does access to finance matter in microenterprise growth? Evidence from Bangladesh. *The World Bank Policy Research Working Paper No. 6333, Washington, DC*.
- Masato, A. M. & Troilo, O. B. (2015). Financing small and medium enterprises in Asia and the Pacific. *Journal of Entrepreneurship and Public Policy*, 4 (1), pp. 2 – 32.
- Micah, D. J. & Manzo, A. (2014). The role of small scale business in poverty alleviation: The gains for industrial development in Nigeria. In David, O.I. & Urin, U.M (eds.). *Trajectory to Industrial Development in Nigeria*. Covenant University, Ota Ogun State Nigeria. A publication of Department of Sociology Covenant University, Canaanland, Ota.
- Ofeimun, G. O.; Nwakoby, C. & Izeke, O. A. (2018). Effects of Microfinance Banks on Small Businesses' Growth in Nigeria. *IIARD International Journal of Economics and Business Management*, 4(4), PP. 15-25.
- Ogbo, A. & Nwachukwu, A. C. (2012). The Role of Entrepreneurship in Economic Development: The Nigerian Perspective. *European Journal of Business and Management*, 4(8), pp. 31-45.
- Ogunleye, A. G.; Aderibigbe, E. A.; Lucas B. O.; Ishola, J. A. & Aderemi, T. A. (2020). Reinvestigating Entrepreneurship Financing and Poverty Eradication in Nigeria: Any Difference from the Case of Small and Medium Scale Enterprises? *Journal of Management and Accounting*, 10(3), pp. 77-89.
- Onyeneke, R. U. & Iruo, F. A. (2012). Socioeconomic analysis of the effect of microfinance on small-scale poultry production in Imo State, Nigeria. *Agricultural Science Research Journals*, 2(2), pp. 84-91.
- Owenvbiugie, R.O. & Igbinedion, V.I. (2015). Role of finance on the growth of small and medium scale enterprises in Edo State of Nigeria. *Journal of Educational and Social Research*, 5(1), pp. 241-248.
- Taiwo, J. N.; Yewande, O. A.; Edwin, A. M. & Benson, K. N. (2016). The role of microfinance institutions in financing small businesses. *Journal of Internet Banking and Commerce*, 21(1), pp. 1-20.
- Tanaka, K. & Molnar, M.(2008). What is different about informal finance? Financing of private firms in China. *Revue Economique*, 59(6), pp. 1131-1144.
- World Bank Report (2015). *World Bank Estimates*, Washington DC.
- World Bank Enterprise Survey (2014).
- Yahaya, Y. (2015). Financing Small and Medium-Scale Enterprises for Sustainable Growth and Development in Nigeria: A Case Study of Zaria, Kaduna State. *Journal of Economics and Sustainable Development*, 6(14), pp. 137-142.