

**BUSINESS CREDIT AVAILABILITY AND ITS IMPACT ON SMALL AND MEDIUM SCALE ENTERPRISES IN NIGERIA****Dr. Cross Ogohi Daniel**

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DOI: 10.5281/zenodo.1418617**Keywords:** Small and Medium Scale Enterprise, Business, Credit, and Availability.**Abstract**

Finance is a key input in the development and growth of business enterprise. One of the reasons why firms form linkages and relations with one another as well as with financial institutions is to access credit for business growth. Credit contributes to enterprises development in a number of ways. Access to external resources allows for flexibility in resource allocation and reduces the impact of cash flow problems on firm activity. Firms with access to funding are able to build up inventories to avoid stocking out in periods of crisis, while in conditions of macroeconomic instability, use of credit increases growth of surviving firms. It is founded from different results that business credibility availability has an impact on SMEs. The data for this study were purposely collected through the secondary sources and analyzed using content analysis approach. The major limitation of this research is that this study only covers the SMEs sector. Another limitation is that it excludes many variables of reward due to shortage of time. Funds were also another limitation. Apart from these limitations this research may provide insights to the managers of SMEs and Microfinance firms to make availability of funds to SMEs because they can boost the country's economy and bring higher profit.

Introduction

In both developing and developed countries, small and medium scale enterprises play significant roles in the process of industrialization and economic growth. Aside from increasing per-capital income and output, small and medium scale enterprises generate employment opportunities, enhance regional economic balance through industrial dispersion and generally promote effective and efficient resource utilization considered crucial to engineering economic development and growth.

However, the influential role played by small and medium scale businesses notwithstanding its development is everywhere withheld by inadequate funding and poor management. The unfavorable macro-economic environment has been identified as one of the main constraints, which most times encourage financial institutions to be risk-averse in helping small and medium scale businesses. The unwillingness on the part of financial institution in funding small and medium scale enterprises can be explained by the insufficient income base of banks and information asymmetry that normally exists between small and medium scale enterprises and lending institutions.

During the 1990s, a few studies documented that lending to SMEs and the economic activity of SMEs were influenced by financial sector disruptions, such as the widespread merging of banks of all sizes and the capital shortfalls occasioned by large loan losses.

Financial sector, the world over, plays fundamental roles in developing and grown economy. The efficiency in carrying out these roles, mainly the intermediation between the surplus and deficit unit of the economy, depends basically on the level of progress of the financial system. It is to ensure its soundness that the financial system appears to be the most controlled by the government and its agencies. The stage of progress and, thus, the proficiency of the system varies among countries and changes over time in the same country. The more developed financial sector tends to be related with the developed economies, while under-developed financial systems feature in developing economies. The last few years have seen the establishment of banking groups through mergers and acquisitions. Re-capitalization of banks in Nigeria is envisioned among others to help



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organize domestic savings and broadening intermediation, enhance allocation of resources and helping to acquire foreign savings. These have brought about denigration from both the public and private sector. Some believed that this would lead to the failure of most banks and the attendant unemployment would be risky for the economy; others believe that the capital base be structured in a way that would categorize banks as big and small players.

Credit is the biggest element of risk in the books of most banks and failures in the management of credit risk, by weakening individual banks and in some cases the banking system as a whole, have contributed, to many episodes of financial instability. A greater understanding of the nature of credit risk, leading to improved measurement and management, would help to strengthen the international financial system vis-à-vis the small and medium enterprises in the long-run. An increasing amount of research on credit risk is being carried out within financial firms, central banks, regulators and universities.

Stiglitz and Weis (1981) viewed that small and medium scale firms with opportunities to capitalize in positive net present value projects may be prevented from doing so because of adverse selection and moral hazard problems. Adverse selection problems may arise when potential providers of external finance cannot verify whether the firms have potential access to quality projects.

Nevertheless, the liquidity ratio of the financiers plays a key role. Moral hazard problems are associated with the possibility of SMEs averting funds made available to them to fund alternative projects or develop the propensity to take excessive risks due to some pervasive incentive structure in the system. On the other hand, because SMEs do not have entry to public capital markets they normally depend on banks for funding. Dependence on banks makes them even more at risk for the simple reason that shocks in the banking system can have important impact on the supply of credit to SMEs. Thus, SMEs are subject to funding problems in equilibrium and these problems are exacerbated during periods of financial instability.

Berger and Udell (2001) further note that shocks to the economic environment in which both banks and SMEs exist can significantly affect the willingness and capability of banks to lend to small and medium scale enterprise. These shocks come in a variety of forms such as technological innovation, regulatory regime shifts, and shifts in competitive conditions and changes in the macroeconomic environment.

Financial institutions respond to these shocks in a number of ways, one of which is to develop stringent lending rules that not only avail them of full information about the firm and the owner, but also ensure that their investment in such firms are guaranteed in both the short and the long-run. In less developed countries where there is a dearth of information on the operations of SMEs, the situation degenerates into total risk-aversion by financial institutions in funding SMEs. Such risk-averse behavior can ultimately affect the performance of monetary policy through the credit channel of policy transmission and perhaps snowball into financial instability in the system

The performances of SMEs in Nigeria have missed the mark because they have hinged their procedures on the people satisfying bank criteria. The program has been run as a banks' exercise. The bank requirements are such that for someone to start an application, it will cost him money and time to do thing he is not familiar with. He has to satisfy their registration and all the documentation that they require and it will cost time and money to do so. This is why the system has not been working optimally until today (Abdullahi and Edward 2018).

Statement of the problem

SMEs' are normally believed to be the engine that run the economy are usually deprived access to credit due to their uncertain nature. This alarming threat has existed for a very long time and requires appropriate attention from government agencies and non-governmental agencies as well. The significant of small businesses in the development of Nigeria cannot be ignored. Without appropriate credit available to small businesses, the economy as a whole will go through economical breakdown. The purpose of economic planning cannot be ascertained if small businesses do not do well. Keeping this in mind, the Central Bank of Nigeria has outlined



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Bank's lending operations to ensure that banks' credit actually assist small and medium businesses in Nigeria. This plan is intended to enhance the economy and to develop rural areas in Nigeria.

However, there is some subjective evidence that highest beneficiaries of business credit from most financial institutions are salaried workers and large-scale companies, whose aptitude to repay the loans are considered to be better than that of SMEs. Furthermore, this belief is not always the situation as some SMEs who go for loans are profitable and well managed. This study critically examines the availability of business credit to small and medium scale enterprises in Nigeria, and how sufficient funding can be available to support such businesses.

Objectives of the study

The general objective of this study is to carry out an in-depth investigation on business credit availability and its impact on small and medium scale enterprises in Nigeria. Other specific objectives are:

- i. To examine the relationship that exist between small and medium-scale enterprises and financial institutions that grant business credits in Nigeria.
- ii. To identify the challenges faced by SMEs in securing business credit in Nigeria.
- iii. To examine the effects of business credit availability to SMEs in Nigeria.

Literature review

1. Concept of Business Availability

The function of financial sector in pushing economic growth is well acknowledged, dating back to the early economists like Schumpeter (1911) who intensely argued in support of finance-led growth. Financial sector plays a major role in channeling savings into beneficial investment, particularly in the formal sectors of the economy. The banking sector precisely is well recognized as a major conduit for financial intermediation in the economy. Access to credit improves the performance and productivity capacity of businesses. Businesses and enterprises with sufficient financial access have potentials to grow. Access to credit refers to the possibility that individuals or enterprises can access financial services, including credit, deposit, payment, insurance, and other risk management services.

Governments can initiate tax incentives programs to enhance private sector participation in SME risk capital. The implication is that increasing the availability of non-asset-based financing is critical to viability of Africa's SME sector and contribution to the continent's economic growth.

Small and Medium-Scale Enterprises possess qualities peculiar to themselves and rarely found in other forms of business ownerships. A major characteristic of Nigeria's SMEs relates to ownership structure or base, which largely revolves around a key man or family. Hence, a preponderance of the SMEs is either sole proprietorships or partnerships. Even where the registration status is thus that of a Limited Liability Company, the time ownership structure is that of a one man, family or partnership business. Other common features of Nigeria's SMEs include the following among others, Labor-intensive production processes; Concentration of Management on the key man; Limited access to Long Term Funds; High cost of funds as a result of high interest rates and bank charges; Overdependence on imported raw materials and spare parts; Poor intra and inter-sectorial linkages - hence, they hardly enjoy economies of scale benefits (Oluyombo, 2011).

Olaitan(2009) said that their findings have shown that most SMEs especially in Nigeria fail within their first five years of existence. It was also discovered that smaller percentage goes into extermination between the sixth and tenth year while only about five to ten percent of budding companies survive, thrive and grow to maturity. Many reasons and factors have been identified as likely contributing factors to the premature death of Small and Medium Scale Enterprise in Nigeria. They consist insufficient capital, lack of focus, inadequate market research, overconcentration on one or two markets for finished products, lack of succession plan, inexperience, lack of proper book keeping, irregular power supply, infrastructural inadequacies (water, roads etc), lack of proper records or lack of any records at all, inability to separate business and family or personal finances, lack of business strategy, inability to distinguish between revenue and profit, inability to procure the right plant and machinery, inability to engage or employ the right caliber staff, cut-throat competition (Olaitan, 2009).



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It was realized that human capital development in Nigerian SMEs leaves much to be desired. The need to properly address the issues of human capital development in SMEs and for SMEs to embrace the investor in people criteria if the desired corporate and national goals are to be realized. Looking at relationship that exists between the SMEs and Nigerian financial system reveals clearly an apathy that is directed towards small businesses by financial system and resentment on the part of the SMEs towards the financial system (FS).

2. Relationship between Small and Medium Businesses and Financial Institutions

Obviously, banking and financial services are important to small and medium scale enterprises. For one, they provide financing for businesses to start, sustain, or expand. There are many SME business loans designed to help SMEs start and thrive. Without banks and financial services providers, the business community will be totally dominated only by those who have the capital.

This is definitely something modern societies cannot allow. Moreover, banks and financial services providers are important to SMEs to facilitate financial transactions. Obviously, not everyone uses cash to pay for transactions. Some use checks. Others use online payment systems. There are also those that pay through credit cards and special setups for transferring funds. These cannot be possible without banks and financial services providers. However, there is a real gap between financial institutions and SMEs.

The shortage of finance occupies a very dominant position affecting the SMEs in the country. Globally commercial bank, which remains the highest source of funds to SMEs, has in most cases, shields away because of the perceived risk and uncertainties. Banks see small-scale businesses as very risky. They have a huge amount of money in reserve but they are never using it for small industries. The interest rate 19% to 30 % is definitely too high for a most small scale businesses to cope with.

Most SMEs therefore see banks as utility providers and not business partners. There are relatively few studies that address this issue head on but it is possible to glean some insights from studies that are concerned with other aspects of the lender-borrower relationship. There are a number of UK based studies, which indicate that the centralization of banking decisions has increased 'the psychological distance' between the bank and small and medium business borrowers, the negative perception effects being greatest in the case of young firms. The rationalization of banking provision is seen by some authors as compounding problems of information asymmetry for small and medium businesses.

There is recent evidence to show that business-lending officers, despite undergoing similar training on the application of decision criteria, tend in practice to place greater emphasis upon the personal characteristics of the entrepreneur, resulting in concerns about a lack of evenhandedness and its adverse impact on the perceptions of entrepreneurs. More positive perceptions of banks by small business owners tend to be underpinned by more participative relationships and research has shown the crucial role that accountants can play here, as trusted actors by both the banks and entrepreneurs.

3. Challenges Faced By Small Medium Businesses from Accessing Loans in Nigeria

The first constraint for Small Medium businesses in accessing credit is the bank's requirement of financial records on the past performance of the enterprise. Many Small Medium businesses have difficulties in providing these. The constraint put on Small Medium businesses access to finance by the level of requirements of financial records varies between the different financial institutions. Those who target mainly micro enterprises do generally not require balance sheets or profit and loss statements. However, they are never less interested in the past performance of the applicant's enterprise. To build an idea on it, they often rely on simple sales records. The task is less complex for the Small Medium Businesses than producing independently its own records. However, they still need to have some form of record keeping in order filling in the forms correctly.

The second constraint for Small Medium businesses in access to business credit is the bank's skepticism of their repayment. Generally, Small Medium Businesses have difficulties in convincing the banks on this issue. The core of the repayment capacity is the cash flow of the enterprise after receiving the loan. If the loan serves to finance one specific transaction only, it is fairly easy to establish the cash flow. The only requirement in this



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case is that the applicant brings the contract of the order for the transaction. It becomes more complicated if a Small Medium Businesses applies for working capital or for a fixed investment. The returns are more difficult to determine and the analysis of the bank becomes more complex.

Consequently, Small Medium Businesses have more to prove. The main factors considered by the bank are the personality of the owner or manager of the small enterprise, the marketing of its products, the reliability of its supplies and the profit margin. The banking survey by the bank of Nigeria on annual percentage rates and average rate paid on deposits show that banks operating in the country demand at least double the interest from their most favored borrowers more than what they offer to depositors.

Statistics released by the bank of Nigeria intensify the already palpable resentment by depositors and borrowers alike that the banks are making interest income at their expense. Indeed, this sentiment is shared by the bank of Nigeria, which in actual fact is why the central bank makes public banks deposits and borrowing rate in the first place as less than subtle way of pressurizing to demand narrower interest margin. Another constraint for Small Medium businesses in access to credit is the security requirement of the banks. Small Medium businesses often do not have assets that qualify as security for a loan, or if they have the assets they do not have proper titles. Again, the banks requirements are different according to different market segments. The institutions specialized in micro finance have group facilities that rely on peer pressure without any other form of collateral. But also the participation in a group poses certain constraints on an enterprise. Although many have stated or grown their businesses using small loans, credit is still quite expensive and inaccessible to millions of Nigerians.

4. The Effects of Business Credit Availability on Small and Medium Businesses

Peek and Rosengren (2004) showed that the mergers of commercial banks tended to reduce lending to small businesses more than to other borrowers. Hancock and Wilcox (2002), estimating the effects on small businesses of several aspects of the financial sector, found that the widespread bank capital crunch around 1990 had larger effects on smaller banks than on larger banks. Since smaller businesses tend to deal more with smaller banks, capital-related reductions in lending were greater at smaller businesses.

Berger and Udell (2000) argued that financial innovation and changes in bank regulations during the 1980s and 1990s may have made banks less willing to lend to small firms. The Federal Reserve's monetary tightening that began in the late 1980s, in the middle of the 1990s, and again in the late 1990s may well have impinged more on small businesses. Small businesses also may have reacted more than did large businesses to changes in other costs, terms, and availability of bank credit. In fact, small businesses did seem to have been affected more by shocks to bank capital and by changes in banks' lending standards during the 1990-1991 recessions (Hancock and Wilcox 1998). In addition, adverse conditions at small banks may have impinged more on small businesses than on large businesses.

5. Theoretical Framework

The analysis of existing literature relevant to understanding the effects of business credit availability on small and medium businesses' is much traditional financing theory does not address many of the constraints faced by 'would-be' and existing entrepreneurs. This opening section is therefore concerned with outlining several other theoretical perspectives that are considered helpful in this respect, drawing as they do upon concepts in other disciplines such as organizational behavior and social psychology. Five interrelated perspectives will be introduced:

- i. Systems perspective - which demonstrates the need to look at financial issues within the broader internal and external operating contexts
- ii. Social network theory - which draws attention to the importance of the entrepreneur's social relations and networks
- iii. The Pecking order hypothesis - relating to entrepreneurs' perceptions of alternative financial sources
- iv. Theories of Financial intermediation - that contribute to understanding the nature of lender-borrower relationships



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- v. Personal construct theory - which focuses on entrepreneurs' perceptions of different aspects of the world in which they operate and how their experience of them shapes their changing perceptions. (Blackwell, 2001).

A Systems Perspective

Despite a growing literature in the area of new venture creation, few studies have examined the venture creation process and even fewer studies have considered the influence of the context of the process (De young, 2003). A systems perspective to understanding the start-up and development of business organizations directs the researcher beyond the restrictions associated with focusing solely upon small business finance-related literature. Possibilities emerge for unfolding an understanding of entrepreneurial intentions, perceptions and actions embedded within wider organization sub-systems and disciplines of investigation. Positing the small business as an open system highlights how, in order to survive, the entrepreneur must manage and coordinate the functional activities that make up its internal context and interface and build relationships with the various aspects of his/her unpredictable external operating context. For instance, of particular significance to this study are the ways in which external factors such as suppliers, potential customers or business advisors may influence a start-up entrepreneur's perceptions, attitudes and behaviors.

Social Network Theory

A key approach to understanding entrepreneur interconnectedness with the external development context is that of social embedded. Entrepreneurship research has revealed how a nascent entrepreneur's social network is a major contributory factor to the start-up and development processes of a new venture. Moreover, evidence suggests that women are more adept at building informal networks and that a woman's social network and level of entrepreneurial self-efficacy positively influences new venture intentions and start-up success (Feldman, 2005). Social network theory directs attention to how the social entrenched of the entrepreneur may affect access to and acquisition of external finance as well as the cost of capital incurred.

Social network theory can provide insight into the complexities and subtleties surrounding access and availability of bank finance and the relationships shared between banks and business owners. Moreover, whilst the successful development of more progressive 'would-be' and existing entrepreneurs may be the result of positive learning through networking interfaces, including the challenging of existing personal beliefs or perceptions, for others a low level willingness or ability to network and learn from others may be a key reason why existing attitudes and beliefs perpetuate.

Theories of Financial Intermediation

Further guiding lenses with regard to the issue of asymmetric information are derived from use of a principal-agent framework with regard to bank problems of unfavorable selection and moral hazard (De young 2003); and in the theories of financial intermediation which propound that relationships between banks and 'would-be' and existing entrepreneurs generate valuable private information about likelihood of the financial success of the bank's customer (Cole, 2007) and potentially influence the perceptions and attitudes of the customer toward the bank. Such a hypothesis suggests that relationship-lending, through closeness of a lender to a borrowing entrepreneur, can facilitate 'soft' information via informal contacts and potentially overcome the impacts of asymmetric information with the entrepreneur which conditions of non-relationship lending would not facilitate (Cynak 2005). It also draws attention to the extent to which close and 'distant' bank-lender relationships affect the conditions of borrowing such as price of the loan, collateral levels demanded, the extent to which collateral requirements influence an entrepreneur's ability to raise finance and how prior customer experience with the lending institution continues to color perceptions. The issue is also raised of the extent to which the concept of a close lender-borrower relationship extends to 'would-be' entrepreneurs who have previously maintained a non-business account-holding relationship with the bank and the extent to which this influences perceptions in the context of subsequent business start-up.

Personal Construct Theory

Finally, integral to the systems perspective in which this literature review sits is the issue of 'would-be' and existing entrepreneurs learning activities and abilities, and their willingness and ability to challenge existing



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personal beliefs and perceptions. Personal Construct Theory (PCT) provides a frame of reference as to how individual entrepreneurs vigorously try to make sense of their environment by constructing their own theories or personal beliefs of their small business and its operating world, these being constantly built up, tested and adjusted in the light of new experiences. Such theory goes a considerable way to explaining the nature of an entrepreneur's perceptions and the way he or she acts. For example, an entrepreneur can personally represent their firm and its environment, but later learn about the personal constructions of others and proceed to place an alternative construction on their own original representation. Drawing upon PCT, we recognize that an entrepreneur may misrepresent a real phenomenon, such as a barrier to accessing finance, and yet his/her representation will itself be entirely real what they perceive may not exist, but their perception of it does. The particular value of the PCT perspective is its directing of the literature review search and analysis with regard to the identification of research studies which explore why lenders and small business owners act as they do, and which seek to uncover taken-for-granted cognitive image rules that shape the relationships they share and utilize new methods and theoretical perspectives with the ability to penetrate such perceptions (Desryse 2003).

6. Empirical Review

Dey & Flaherty (2005) used a two-stage regression model to examine the impact of bank credit and stock market liquidity on GDP growth. They found that bank credit and stock market liquidity are not consistent determinants of GDP growth.

Banking development is a significant determinant of GDP growth, while turnover is not. Chang et al (2010) used branch panel data to examine bank fund reallocation and economic growth in China and found a positive association between bank deposits and growth. Olaitan (2009) examined the significance of bank credit in stimulating output within the real sector and the factors that prompt financial intermediation within the economy. Evidence from this work shows that real output causes financial development, but not vice versa.

According to the seminal work by Bayoumi & Melander (2008), a 2½% reduction in overall credit causes a reduction in the level of GDP by around 1½%. Similarly, findings have also revealed that economic growth can also be a causal factor for financial development. This often occurs when the level of development within the economy is responsible for prompting the growth of the financial system. Vazakidis & Adamopoulos (2009) employed a Vector Error Correction Model (VECM) to investigate the relationship between credit market development and economic growth for Italy for the period 1965-2007 taking into account the effect of inflation rate on credit market development.

The empirical results indicated that economic growth had a positive effect on credit market development, while inflation rate had a negative effect. Cappiello et al (2010) in their study of European Area found that in contrast to recent findings for the US, the supply of credit, both in terms of volumes and in terms of credit standards applied on loans to enterprises, have significant effects on real economic activity. In other words, a change in loan growth has a positive and statistically significant effect on GDP.

Oluyombo (2011) examined the contribution of microfinance bank to the economic development of Nigeria for fifteen years by using secondary data collected from the 18 Central Bank of Nigeria records, annual reports and statistical bulletin. The ordinary least square estimation technique was adopted using linear regression model. The study found a weak positive relationship between microfinance banks' finance and long run economic growth in Nigeria, and between microfinance banks' finance and capital formation. There was large positive correlation between microfinance banks' finance and penetration ratio. The results suggest a net outflow of finance from the microfinance banks that may jeopardize the economic development of the nation.

Akpansung & Babalola (2012) examined the relationship between banking sector credit and economic growth in Nigeria over the period 1970-2008. The causal links between the pairs of variables of interest were established using Granger causality test while a Two-Stage Least Squares (TSLS) estimation technique was used for the regression models. The results of Granger causality test show evidence of unidirectional causal relationship from GDP to private sector credit (PSC) and from industrial production index (IND) to GDP. Estimated regression models indicate that private sector credit impacts positively on economic growth over the period of coverage in this study. However, lending (interest) rate impedes economic growth.



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Murty, Sailaja and Demissie (2012), examined the long-run impact of bank credit on economic growth in Ethiopia is examined via a multivariate Johansen co-integration approach using time series data for the period 1971/72-2010/11. More importantly, the transmission mechanism through which bank credit to the private sector affects long-run growth is investigated. The results supported a positive and statistically significant equilibrium relationship between bank credit and economic growth in Ethiopia. Deposit liabilities also affect long-run economic growth positively and significantly through banks services of resource mobilization. A major finding is that bank credit to the private sector affects economic growth through its role in efficient allocation of resources and domestic capital accumulation.

Banu (2013) attempted to establish whether there is a connection between credit and economic growth, the economy being unable to develop in the absence of credit. With the aid of statistic software they tried to determine the supposed existence of a connection between the GDP, credits offered to public administration and credits offered to households. The results of the analysis show that credits offered to 20 households contribute to a greater extent to the formation of the GDP than credits offered to public administration

Methodology

The paper adopted a singular source of data collection. The secondary source of data generation, which include the use of textbooks written by different authors on the subject matter, journals, magazines, information from the internet and other published and unpublished materials relevant to work. The data was analyzed using the content analysis approach. This is because of its major dependence on the secondary source data.

Conclusion

Transformation in the economic environment in which banks and small businesses function - such as domestic and cross border alliance of the banking industry have intensified interest about the availability of credit to small businesses. Part of this interest reflects the fact that small businesses are often informational obscure and have far few alternatives to external finance than big companies have. Not surprisingly, the empirical evidence suggests that many small businesses are highly dependent on banks for external finance.

One of the most important technologies employed by banks in extending credit to informational opaque small businesses is relationship lending. Although relationship lending has been the subject of considerable recent research interest, the process of relationship lending is not well understood. A clear understanding of how the relationship lending technology works and how the organizational structure of the bank affects its ability to deliver this service are needed to assess how recent changes in the economic environment are likely to affect the availability of credit to small businesses.

Recommendations

After analyzing the lender-borrower situation among financial institutions and small businesses, the researcher came up with the following recommendations to help small businesses access more business credit:

- i. First, SMEs in Abuja should ensure they have a sound and comprehensive business plan and strategy, in order to easily get the attention of potential lenders and investors. They should either get proper and complete knowledge and skills on writing business plans or get an expert to write it for them. This will go a long way to ease the process of getting a business credit.
- ii. Second, the government should promote venture capitalist activities in smaller towns and rural areas. Venture capitalist should be encouraged to set up businesses in Abuja, to complement the efforts of banks and other financial institutions in the loan giving business.
- iii. Third, the government should urge financial institutions to give out more loans and business credit to small businesses. Financial institutions should be made to know that small businesses can be trusted and are capable of repaying loans as other big and medium businesses.
- iv. In order to reduce discrimination in business credit distribution to businesses, the government should set up more government organizations specifically meant to grant small business owners loans and financial advice.



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