

An Analysis of the Contribution of Commercial Banks to Small Scale Enterprises on the Growth of the Nigeria Economy

**Dr. Kennedy Imafidon
&**

Joy Itoya (Mrs)

Department of Business Administration
Ambrose Alli University
Ekpoma
Edo State

Abstract

The main objective of this study is to analyze the contribution of commercial bank's loan to small scale enterprises on the growth of the Nigeria economy. The study employed Gross domestic product as a proxy for economy which is the dependent variable and the commercial bank's loan to small scale enterprises as the independent variable for the period of study (1993- 2012). Co-integration and error correction model approach was used to estimate the relationship between the variables. All the variables used were stationary at first difference and the result showed a long term relationship existing among the variables. The main finding of this study is that the commercial bank's loan to small scale enterprises did not reveal any significant effect on economic growth in Nigeria within the period of study. This is attributed to the facts that the small scale operators does not have access to credit which is a major problem to small scale enterprises in Nigeria since the traditional financial institutions have not been able to meet their credit needs. Government should encourage small scale enterprise through their micro credit scheme, to give soft loans and re-introduce small business credit scheme so that the beneficiaries can use them to run the small scale enterprises.

Keywords: small scale enterprise, growth, economy, banks, loans

Introduction

The analysis of the contribution of commercial banks to small scale enterprises have stem debate and growing interest among researchers, policy makers and entrepreneurs, recognizing the immense contribution of the subsector to economic growth. The relative importance of small scale enterprise in advanced and developing countries has led and would continue to lead to a reconsideration of the role of small scale enterprises in the economy of nations. The development of many countries is often measured by such indices as the level of industrialization, modernization, urbanization, gainful and meaningful employment for all those who are able and willing to work, income per capital, equitable distribution of income, and the welfare and quality of life enjoyed by the citizenry. The small scale industry is seen as a key to Nigeria's growth and alleviation of poverty and unemployment in the country. Therefore, promotion of such enterprises in developing economies like Nigeria is of paramount importance since it brings about a great distribution of income and wealth, development of indigenous technology, speed up the rate of social economic development, economic self-dependence, entrepreneurial development employment and a host of other positive, economic uplifting factors (Aremu 2004). Various studies conducted indicated about 50 per cent of small and medium scale enterprises surveyed did not receive external finance while 77 percent indicated lacked of access to financial resources. The secret behind the success of a self-reliant strategy in any economy does not lie solely in any particular socio-political or socio-economic philosophy, but so much on people's attitude to small enterprises. While some governments had formulated policies aimed at facilitating and empowering the growth and development and performance of the small scale enterprises, others had focused on assisting the small scale enterprises to grow through soft loans and other fiscal incentives in order to enhance the socio-economic development of the economy. The abundance of capital and the range of technologies available in the world expand, small scale enterprises need productivity increases through adequate financing if they are to maintain or increase their contribution to overall socio-economic development in developing countries like Nigeria.

However, this signifies the importance of capital and its cost of sourcing for small scale enterprises development, among other factors like infrastructure and enabling environment, cheap source of funds, availability of production equipment, efficient manpower, disciplined management and availability of markets that enhance their operations in ensuring sustainable socio-economic development. The problem of inadequate finance affects small scale enterprises effective performance of other ancillary functions such as marketing, as they are unable to offer competitive credit terms to distributors, delay or cut in production resulting from raw materials shortage thus causing sometimes sharp drop in sales volume. Ekpenyong (1997) and Utomi (1997) identified inadequate capital, inaccessible credit facilities as the problems confronting small scale enterprises. Adeyemi and Badmus (2001) and Schmitz (1982), argued that adequate financing of small scale enterprises will enhance their performance in Nigeria. The study by Evbuomwan, Ikpi, Okoruwa, & Akinyosoye (2012) indicated that 75.7% of their survey respondents relied mostly on own funds to finance their businesses. A widespread concern is that the banking system in the sub sector (which supposed to be the major financier of small scale enterprises) is not providing enough support to new economic initiatives and in particular to the expansion of small scale enterprises and agriculture sector. It is noted that commercial and the hitherto merchant banks which retained liquidity levels in excess of regulation have shown reluctance in financing small scale enterprises (Sacerdoti, 2005). This paper therefore examine the contribution of commercial banks to small scale enterprises on the growth of the Nigeria economy

Literature Review

The Meaning of Small and Medium Scale Enterprise

There is hardly any unique, universally accepted definition of SMEs because the classification of business into small and large scale is a subjective judgment (Ekpeyong & Nyong, 1992). The 1992 Review by the National Council on Industrial Standards have defined Small and Medium Scale Enterprises (SMEs) as enterprises with total cost of (including working capital but excluding cost of land) above 31 million but not exceeding 50 million with a labour size of between 11 and 100 employees. It is clear that SMEs are usually small own or family managed business with its goods and services being basic. SMEs also tend to lack the organization and management structure, which characterize large-scale entrepreneur. Urban SMEs tend to be more structured than their rural counterpart. Small and Medium Scale Enterprises (SMEs) as defined by the National Council of Industries (2009) refer to business enterprises whose total costs excluding land is not more than two hundred million naira (N200,000,000.00) only. Although, there exists no consensus among policy makers and scholars concerning the point at which a business firm is deemed to be small or medium.. The United Nations Industrial Development Organization (UNIDO) identified fifty definitions of small scale business in seventy-five different countries based on parameters such as installed capacity utilization, output, employment, capital, type of country or other criteria, which have more relevance to the industrial policies of the specific country. However, it has been suggested that the SMEs sub-sector may comprise about 87 per cent of all firms operating in Nigeria, excluding informal - enterprises. USAID (2004) defined enterprises as informal businesses employing five or fewer workers including unpaid family labour; small enterprises as those operating in the formal sector with five to twenty employees; and medium enterprises as those employing 21 to 50 employees.

Egbuogu (2003) noted that definitions of SMEs vary both between countries and between continents. The major criteria use in the definitions according to carpenter (2003) could include various combinations of the following: Number of employees, financial strength, Sales value, Relative size, Initial capital outlay and Types of industry. Inang & Ukpog (1992) however, stressed the indicators prominent in most definitions namely, size of capital investment (fixed assets), value of annual turnover (gross output) and number of paid employees. The Nigerian Government has used various definitions and criteria in identifying what is referred to as micro and small sized enterprises. At certain point in time, it used investment in machinery and equipment and working capital. At another time, the capital cost and turnover were used. However, the Federal Ministry of Industry, under whose jurisdiction the micro and small sized enterprises are, has adopted a somewhat flexible definition especially as to the values of installed fixed cost. Amidst several definitions provided by the Government and its attendant agency, the National Council on Industry (1991) defined micro enterprises as an industry whose total project cost excluding cost of land but including working capital is not more than N500,000:00 (i.e. US\$50,000). Small scale enterprises on the other hand is defined by the council as an industry whose total project cost excluding cost of land and including working capital does not exceed N5m (i.e. US\$500,000).

Furthermore, the National Council on Industry of Nigeria (1996) at its 9th Meeting adopted the report of its Sub-Committee on Classification of Industrial Enterprises in Nigeria and approved a new set of classifications and definitions of the cottage/micro and small scale enterprises. According to the Council, cottage/micro industry is an industry whose total cost, including working capital but excluding cost of land, is not more than N1 million and a labour size of not more than 10 workers; while small scale enterprises is an industry whose total cost, including working capital but excluding cost of land, is over N1 million but not more than N40 million and a labour size of between 11 and 35 workers. Stanley and Morse (1965) classified industries into eight by size. They adopted the functional approach, and emphasized how small and medium sized industries differ from larger industries by bringing out clearly the differing characteristics which include little specialization, close personal contact of management with production workers and lack of access to capital. They argued that establishments employing not less than 100 workers should be defined as medium sized whereas those with less than 100 employees be defined as small sized. The UNDP/UNIDO Report (2000) noted that while the limit of 10 workers for Micro/Cottage Industries was flexible enough to capture about 95% of rural industries and micro enterprises in this category, the ceiling of N1.0 million may however exclude about 40% of such entrepreneurs with modest factory buildings and basic infrastructures which they require (e.g. access road, generator, bore-hole wells, storage facilities etc). In addition, while the ceilings of N40 million for Small Scale Industries and N150 million for Medium Industries are still substantially captive for these categories, the limits of 35 and 100 workers respectively were not based on the actual structure of manufacturing enterprises in the country.

Types of Micro and Small Scale Enterprise: Fasua (2006) categorized business that fall under small and medium scale as follow in small scale enterprise, firewood supply, packaging of food items, meat retailing, plantain production, restaurant service, small scale poultry raising, rabbit raising, organizing labor squad, operating a nursery for children, home service, arranging food for parties and host of others. Business grouped under medium scale according to fasua are: soap production, aqua culture/fish farming, chalk making, foam production, nylon production, concrete block production, hair/body cream productions, chemical production, commercial poultry, professional practice claw, accountancy, education, food and beverage production among other.

The Contribution of Small Scale Industries to the Nigerian Economy

Even if there are controversies on definition, what is not contestable is the contribution SMEs are making to the economy. The transformation of traditional industries is one of the contributions of small scale enterprise to the growth and development of the country. Unlike the large-scale industrialization strategy, which is the category of import- substitution strategy practiced by Nigeria without any success, small-scale industrialization has made a very glaring impact on the economy of nations. About 10% of total manufacturing output and 70% of industrial employment are by SMEs (Osuagwu, 2001). SMEs also promote industrial employment through the utilization of local resources production of intermediate goods and the transfer/transformation of rural technology. In fact SMEs are generally regarded as the engine driving the growth of this and other economics and provide the best opportunity for job creation and rural development. In most major economies, the critical role of SMEs is recognized and special agencies of government are created to provide support for SMEs. The funding requirement of SMEs is also given special consideration by the formal funding institutions, Banks, micro-credits agencies, venture capital and the non-formal funding agencies like the donors and specialized NGOs. There exists a high level of consensus on the importance of SMES, especially the SMEs sub-sector to economic growth and development. Oluba (2009) has, however, observed that the importance of SMEs varies with sectors and with the developmental stage of a country. He opined that developing characteristics such as the level of capital allocation /requirements, management size and arrangement as well as limited market access which make SMEs less amenable to the disappointing results of development strategies that focus on large, capital intensive and high import dependent industrial plants as well as failed public enterprises.

In both developed and developing countries, the traditional sector has served and continues to serve as the spring board for launching vibrant modern sector. In short the modern sector has evolved through structural transformation and modernization of the traditional type-cottage or artisan industry .In this way small scale industry can be a means of achieving a smooth transition from tradition to modern industrial sector. An immense contribution of small scale industries to the growth and development of the country is in terms of employment generation .In Nigeria this group of establishment employs greater number of persons than those in large scale business. More than half the industrial labor in developing countries engages in small scale enterprise Morawets (1974).

Since small scale industries are fairly labour intensive, they are better coping with problem of unemployment and poverty. They create more employment opportunity at a relative low capital cost; for instances while it will take N26, 000 to create one employment in a large enterprise; it takes about N8, 500 in a small scale industry Oguntoye (1990). Strong evidence based on country and regional experience shows that are major source of employment in an economy; the young part time workers, the cyclical employed and the old are employed in the small scale industries.

Small and Medium Scale Enterprise & Economic Growth: Evidence from Developed Countries and Nigeria
Oluba (2009) summarized the contribution of SMEs to an economy, especially developing ones as: Greater utilization of raw materials, employment generation, encourage of rural development, development of entrepreneurship, mobilization of local savings, linkages with bigger industries, provision of regional balance by spreading investments more evenly, provision of avenue for self employment and provision of opportunity for training managers and semi-skilled workers. Also, Oluba (2009) posited that there are about 8.4million SMES operating in Nigeria with -enterprises comprise 80 per cent of the total number (about 1.3 million), small business constituting 15 percent (around 420,000) (Oluba, 2009). In terms of SMEs contribution to national output in Nigeria. It has been reported that the SMEs, by revenue, contribute about 75 per cent all entrepreneurial activities that make up Nigeria's gross domestic output, 21 per cent within the -enterprises while 4% belong to the large complex organizations. It is also scored high in entrepreneurial dominance because of its potential in pooling skilled and semi-skilled workers.

Challenges Facing Micro and Small Scale Enterprises in Nigeria

There are various challenges facing micro and small scale enterprises in Nigeria; while some are financial others are non financial. The financial constraints include those factors that prevent micro and small scale enterprises (MSEs) from accessing funds easily, inadequate sources and supply of funds has been a major setback to the realization of many brilliant business ideas and outward expansion of existing business. The inability of the small business owners to raise funds expand their business has been linked to poor business history, high risks, associated with starting new business, which banks tend to avoid, insufficient collaterals, inadequate record keeping and knowledge of the risks facing their business. Record keeping is particularly important to the integrity of the business. The prevailing corrupt tendency in Nigeria society, which has permeated the fabric of the society including Nigeria entrepreneurs, have prevents most small and medium enterprises operators from keeping adequate records. Many entrepreneurs avoid paying tax into the relevant authorities. Poor governance structure is another factor preventing small and medium enterprise to access founds easily from banks and other specialized financial institution. An industrial analysis recently observed that one of the reasons why micro and small scale enterprises (MSEs) funds has not been invested, is the operator prefer to get the funds as loan, rather than as equity contribution. To gain access to finance, micro and small scale enterprises (MSEs) owner should learn to put up realistic business plan supported with financial projections, which highlight the profitability of the enterprises before they seek for funds. Such companies should be duly and legally registered with appropriate authorities maintain financial records and put in place strong internal control mechanism. Above all, the operators should be knowledgeable about the kind of business they want to venture into.

Ways of Developing Micro and Small Enterprises to Enhance National Development in Nigeria: Micro and small enterprise play dispensable role in national development and to reflect its acceptance and recognition of this, the federal government must has small business policy at the top of its agenda; it has to put concrete steps in place to ensure they are able to grow and prosper. In for instance one of the ways of doing this, will be set up a national small business (NSBO) along the line of the small business agency in the United State and Medium Business Services. The national small business office (NSBO) will be an independent body and will have overall responsibility nationwide for all policies and program relating to small and medium business including micro business, will have its own budget, and will be closely monitored by and answerable to the National Assembly. The national small business office (NSBO) can be replicated at the state level. The state small and medium office will have responsibility for running national policies and program set up by national small business office (NSBO) at the state level and will also be directly answerable to state Assemblies. The task which will be appropriate to national small business office (NSBO) will be the promotion of exporting activities amongst small businesses to make them more outward looking and more able to participate in the global market place. Another important way of developing micro and small scale enterprise is by establishment of a small Business Development Bank (SBDB) to concentrate solely on the funding to indigenous businesses.

The small Business Development Bank (SBDB) will help to combat the problem of undercapitalization by providing the necessary cost effective and easily accessible funding for business.

Moreover, it should not be the sole responsibility of government to provide financial assistance to business. With high number of billionaires originated from developing countries like Nigeria, the national small business office (NSBO) has to find a way of encouraging them to invest their wealth in small and medium enterprise, thereby helping them and the country to grow. Lastly, micro and small scale enterprises should from time to time organize training program for their employees on how to use some modern equipment like computer and other machines to enable them cope with the changing technology.

Policies and Incentives for Promoting Small and Medium Scale Enterprises in Nigeria

Consequently, the provision of the following elements will assist in creating the enabling environment for competitiveness and growth of SMEs in Nigeria, and optimizing the full benefits of Financial System Strategy 2020. According to Etim (2010), the elements are;

Fiscal Incentives and Support: Tax rebate - for SMEs that put effort on local sourcing of raw materials, needed in adding value to commodities for exports and other business ethics, which government may wish to foster. More so, government could increase funding for the development of the sub-section through direct budgetary allocations and enhance private sector investment opportunities that will focus on specific areas of capacity enhancement/building.

Infrastructure Development: Development and upgrading rural/urban road and rail networks, water and air transport systems and communication infrastructures by government and the private sector. The current situation whereby each industrial enterprise is compelled to provide its facilities to offset deficiencies in public infrastructures is detrimental to viability and efficiency in production.

Cluster formation: Encouraging networking among SMEs operators and use of shared facilities such as Common Facility Centre (CFC). This also involves development of and access to information and communication technology and partnership among operators, which will help reduce cost of production and improve product quality and competitiveness. In this way, the SMEs would be positioning themselves to benefit from the implementation of the NEPAD (Udechukwu, 2003).

Strengthening of rural access to financial services: Strengthening of rural access to financial services for the provision of medium-to-long-term financial product to promote development, for improvement of the conduct of monetary policy, and efficiency of the financial system

The problem of high interest rates: The problem of high interest rates which is between 20 and 25 percent need to be redress. This is because the spreading between lending and borrowing rates is high in Nigeria, with banks preferring to give lower rates to blue chips. This calls for more subtlety in handling the differentiation, so that optimal results can be achieved as a spread from all sectors of the economy.

The need for the establishment of laws: There is the need for the establishment of laws that are consistent with modern realities. The nation would also need to put in place fast justice adjudication commercial courts to settle disputes with the same magnitude as is done in the UK and USA.

Research findings: Making technology available and affordable - the system of making available the results of research institutions in new production techniques to SMEs through extension outreach for popularization, demonstration and adoption should be further strengthened. This will reduce cost of production, distribution and marketing which will raise competitiveness, allow expansion and create more jobs.

Methodology

The methodology of the study comprises of the population, data collection, techniques of analysis, and model specification

Data Collection

The study is based primarily on secondary data obtained from Central Bank Statistical Bulletin. The data collected are the value of Gross domestic product as a proxy for the measurement of economy and the amount of money contributed to small scale enterprises by commercial banks (loan) for the period studied. The gross domestic product was deflated to obtain the real GDP.

The gross domestic product is the dependent variable while the amount of money contributed (loan) to small scale enterprises by commercial banks is the independent variable. The period of the study is between 1993 and 2012. The period was considered to be long enough to guarantee the adequacy of data reliability of result as well.

Statistical Analysis

Regression analysis was carried out for the estimation based on ordinary least square method with the aid of Microfit 4.1 where a test for co-integration and error correction mechanism was used to analysis the data.

Model Specification

The functional relationship between the variables is expressed as

$$Gdp=f(cbks).....equ.1$$

Where Gdp= Gross domestic product

cbks =commercial loan to small scale enterprise

Specifically, the model is specify as

$$Gdp=a+\beta cbks+e.....equ.2$$

Where a= constant

e=error term

Analysis of Result

Table 1: Co Integration with Unrestricted Intercepts and No Trends in the VAR

Co integration LR Test Based on Maximal Eigen value of the Stochastic Matrix

15 observations from 1997 to 2011. Order of VAR = 5.

List of variables included in the co integrating vector:

LNGDP SMES

List of eigenvalues in descending order:

.83351 .014059

Null	Alternative	Statistic	95% Critical Value	90% Critical Value
r = 0	r = 1	26.8923	14.8800	12.9800
r <= 1	r = 2	.21238	8.0700	6.5000

Table 2: Vector Error Correction

15 observations used for estimation from 1997 to 2011

Regressor	Coefficient	Standard Error	T-Ratio[Prob]
Intercept	7.2529	3.7742	1.9217[.113]
dLNGDP1	-.11481	.24938	-.46038[.665]
dSMES1	.3556E-5	.1276E-4	.27856[.792]
dLNGDP2	-.28065	.26473	-1.0601[.338]
dSMES2	-.1582E-4	.1058E-4	-1.4948[.195]
dLNGDP3	-.15964	.30414	-.52490[.622]
dSMES3	-.1083E-4	.1032E-4	-1.0495[.342]
dLNGDP4	-.43894	.31799	-1.3804[.226]
dSMES4	.1029E-4	.1202E-4	.85583[.431]
ecm1(-1)	-1.0303	.56764	-1.8151[.129]

List of additional temporary variables created:

$$dLNGDP = LNGDP - LNGDP(-1)$$

$$dLNGDP1 = LNGDP(-1) - LNGDP(-2)$$

$$dSMES1 = SMES(-1) - SMES(-2)$$

$$dLNGDP2 = LNGDP(-2) - LNGDP(-3)$$

$$dSMES2 = SMES(-2) - SMES(-3)$$

$$dLNGDP3 = LNGDP(-3) - LNGDP(-4)$$

$$dSMES3 = SMES(-3) - SMES(-4)$$

$$dLNGDP4 = LNGDP(-4) - LNGDP(-5)$$

$$dSMES4 = SMES(-4) - SMES(-5)$$

$$ecm1 = .46013 * LNGDP + .5986E-5 * SMES$$

R-Squared .66378 R-Bar-Squared .058594

S.E. of Regression .56764 F-stat. F(9, 5) 1.0968[.486]

Mean of Dependent Variable .24195 S.D. of Dependent Variable .58503

Residual Sum of Squares 1.6110 Equation Log-likelihood -4.5503

Akaike Info. Criterion -14.5503 Schwarz Bayesian Criterion -18.0906

DW-statistic 2.2260 System Log-likelihood -157.5514

Source: computer printout (2013)

Co-Integrated Test

The co-integrated result in table.1 above shows that the residual is stationary that is integrated of order zero. Since Gdp and cbks are co-integrated, the short-run adjustment dynamics can be done by an error correction mechanism.

Error Correction Mechanism

An examination of the econometric results in the table above shows that the overall fit is relatively strong with an R-squared of 66%. Thus 66% of the systematic variations in Gross domestic product are explained by the error correction mechanism (ecm). The F-statistic of 1.0968 is significant at 5% level and the DW-statistic of 2.2260 shows the absence of first order serial correlation. The t-statistic of 0.27856 is not significant at 5% level; this means that the commercial banks loan to small scale enterprises does not have impact on the growth of the Nigeria economy. This is attributed to the fact that the small scale operators do not have access to loan facility. The co-efficient of error correction mechanism is significant at 5% level and it is negative (-1.8151) which can therefore act to correct any deviation from long-run equilibrium. The sign of the co-efficient shows that there is a direct relationship between Gross domestic product and the amount of money contributed to small scale enterprises by commercial banks.

Conclusion

This study has attempted to examine the impact of the loan of commercial banks to small scale enterprises on the growth of the Nigeria economy. Based on the findings above, we hereby conclude that: The growth of the Nigeria economy does not depends on the loan from commercial to small scale enterprises. This is attributed to the facts that the small scale operators does not have access to credit which is a major problem to small scale enterprises in Nigeria since the traditional financial institutions have not been able to meet their credit needs. However, access to capital or finance is necessary but not a sufficient condition for successful operation. If one has the entire funds in the world and does not have the capacity to manage that fund and does not have the necessary information as to what he/she should do, the money would go down the drain. Government should encourage small scale enterprise through their micro credit scheme to give soft loans. Government should also re-introduce small business credit scheme so as for the beneficiaries to use them to run the small scale enterprises. Government, chamber of commerce and industries and other non-governmental organization should regularly organize seminars for potential and actual small and medium enterprise operators where they should be educated on how to plan, organize, direct and control their businesses to foster the Nigeria economy.

References

- Adegbeni, B.O, Fasanya, H, & Abdulrahman, H.D (2013). Small and medium scale enterprises financing and economic growth in Nigeria, *European Journal of Business and Management*, 5 (4) pp130-136
- Adeyemi, S. L. and Badmus, A. L. (2001). An empirical study of small scale financing in Nigeria, *Journal of Unilorin Business School*, 1 (1).
- Aremu, M. A. (2004). Small scale enterprises: panacea to poverty problem in Nigeria, *Journal of Enterprises Development*, International Research and Development Institute, Uyo, Akwa Ibom, Nigeria, I (1): 1 – 8.
- Akingunola, R. O. (2011). Small and medium scale enterprises and economic growth in Nigeria: An Assessment of Financing Options. *Pakistan Journal of Business and Economic Review*, 2(1), 78-97.
- Aremu, M. A. and Adeyemi, S.L. (2011). Small and medium scale enterprises as a survival strategy for employment generation in Nigeria. *Journal of Sustainable Development* 4 (1), 200-206.
- Aremu, M. A. (2010). Small and Medium Scale Enterprises As A Means of Employment Generation and Capacity Building In Nigeria, A Paper Presented at the International Conference on Management and Enterprise Development on “Intellectuals and New Strategies for Sustainability Development of the Third World” Held at Conference Center, University of Ibadan, Ibadan, Nigeria, October 5th - 8th.
- Carpenter. Egbuogu, L.O.D. (2003) What Small Business Entrepreneurs Expect From Local Credit Agencies and International Business Facilitators. Paper presented at “Business America”. A Forum organized by the US Commercial Consulate, Lagos, Nigeria, March 3, pp. 1 – 10.
- CBN (2012). Statistical Bulletin
- Ekpenyong, D. B. (1997). Problems of small business and why they fail, *Journal of General Studies*, Bayero, University, 3, (1)
- Evbuomwan G. O., Ikpi A. E., Okoruwa V. O. and Akinyosoye V. O. (2012). Preferences of micro, small and medium scale enterprises to financial products in Nigeria. *Journal of Agricultural Economics and Development*, 1(4), 80-98.
- Etim, E.O (2010). Promoting small and medium scale enterprises in Nigeria: A panacea for realization of financial system strategy (FSS) 2020, *International Journal of Economic Development Research and Investment*, 1 (1&2) pp 142-148
- Ekpeyong, D.B. and Nyong, M.O. (1992). Small and medium scale enterprises development in Nigeria. Seminar Paper on Economic Policy Research for Policy Design and Management in Nigeria, NCEMA.
- Ekpenyong, D. B. (1997) "Problems of small business and why they fail. *Journal of General Studies*, Bayero, University, 3,(1)
- Fabayo, J.A. (1989), Small-scale enterprise development strategy: A critical option for long-term economic progress in Nigeria. *The India Journal of Economics*. 58, pp. 159-171
- Gujarati, D. N. (2003) Basic econometrics, 4th edition, New York: McGraw-Hill Higher Education.
- Gunu, U. (2004). Small scale enterprises in Nigeria: Their start up, characteristics, sources of finance and importance, *Ilorin Journal of Business and Social Sciences*, 9 (1 & 2): 36 – 43.
- Osoimehin, K.O, Jegede, C.A, Akinlabi, B. H, & Olajide, O.T (2012). An evaluation of the challenges and prospects of micro and small scale enterprises development in Nigeria. *American Journal of Contemporary Research*, .2,(4). Pp 174-185
- Osuagwu, L. (2001): Small business and entrepreneurship management: Surulere, Lagos: Grey Resources Limited.
- Rasak, B. (2012). Small and medium scale enterprises: A panacea for economic growth in Nigeria, *Journal of Management and Corporate Governance*, 4, PP, 83-98
- Schmitz, H. (1982). Growth constraints on small scale manufacturing in developing countries: A critical review, in *World development*, 10 (6): 429 – 450.
- Stanley, E. and Morse, R. (1965), Modern small-scale industry for developing countries. McGraw-Hill.
- Sacerdoti, E. (2005) .Access to bank credit in sub-saharan Africa: Key issues and reform strategies. International Monetary fund (IMF) Working Paper WP/05/166, August.
- Utomi, P. (1997). The role of higher institutions in promoting entrepreneurship and small businesses in a developing economy: Lesson from experience." In Fadahunsi Glu and Tunji, Daodu eds., *Small and Medium Enterprises Development: Policies, Programmes and Prospects*. West African Management Development Institutes Network (W AMDEVN): pp. 120 - 128.
- Udechukwu, F. N. (2003). CBN seminar on small and medium industries equity investments scheme (SMIEIS). Lagos: CBN Training Centre.