Effects of Microfinance Banks on Small Businesses' Growth in Nigeria

Ofeimun, Godwin Omogbai
Department of Accounting & Finance,
Edwin Clark University, Kiagbodo
Delta State, Nigeria

Nwakoby, C.
Department of Banking and Finance,
Nnamdi Azikiwe University,
Awka, Anambra State

Izekor, Osaretin Andrew
Department of Banking and Finance,
University of Benin,
Edo State, Nigeria.

Abstract
Financing of small businesses in Nigeria by Micro Finance Banks has become an important policy choice in government's economic programmes. This study seeks to examine the relevance of micro financing of small businesses in Nigeria. The data for the study was obtained from the Micro-finance banks and CBN annual reports for the period 1990 to 2015. The study adopted the ordinary least square regression as the basic techniques of analysis. The study also employed both normality and the multi-collinearity tests to examine the features of the data for analysis. The study, using the results of the micro financing of SMEs statistics and exploratory variables in a regression model showed that micro loan disbursed and micro loan spread have a significant positive relationship with small business growth in Nigeria during the period under review. The study also found a significant negative relationship between inflation rate and micro loan lending rate and small business growth as well as an insignificant relationship between micro loan spread and small business growth in Nigeria. The study therefore concludes that micro financing of small businesses by micro finance banks has a great effect in stimulating the economy. The study recommends amongst others that emphasis should be placed on lending to preferred sectors like agriculture and mining so as to stimulate growth of the economy.

Background to the Study

Small and Medium Enterprises (SMEs) form the majority of business undertakings in a developing economy like that of Nigeria and are said to be the instrument for the development of any economy (Anyanwu, 2004). SMEs generate employment, bring industrialization and development to the rural areas, utilize indigenous material resources and redistribute income among the poor. From literature, it is evident that the small and medium enterprises (SMEs) contribution to economic growth and development has global recognition (Okoy, 2010; CBN 2004). According to Kirby (2002), it has successfully worked in most parts of the world; such as South Africa, Japan, Singapore, Indonesia, Brazil, France and Sweden.

In the view of Ofoegbu, Akanbi and Joseph (2013), SMEs are the panacea for the economic growth and development of many developing countries including Nigeria. They believe that

interest on SMEs would contribute to the creation of jobs, as well as providing fertile ground for skill development and acquisition, which serve as a mechanism for backward integration and vehicle for technological innovation and development. According to Akanji (2006), studies have shown that small and medium enterprises could contribute to improved living standards, bring about substantial local capital formation and achieve high level of productivity and capability.
SMEs are recognized as the principal means of achieving equitable and sustainable industrial diversification and dispersal (Ogujiuba, Fadila & Steigher, 2013). Musa and Aisha (2013) in their studies agree that SMEs account for well over half of the total share of employment, sales and value added.

SMEs constitute the most viable and veritable vehicle for self- sustaining industrial development, as they possess the capability to grow an indigenous enterprise culture more than any other strategy (NISER, 2004). Small businesses represent the subsector of special focus in any meaningful economic restructuring programme that targets employment generation, poverty alleviation, food security, rapid industrialization and reversing rural-urban migration (USAID, 2005).
The importance of financial services in the economic growth and development of any society is well known. These services provide businesses with access to credit and a means for saving and investing money. As credit plays vital role in start-up and expansion of businesses, microfinance has been treated as an important tool for economic development (Abu, 2012; Owenvbiugie & Igbinedion, 2015; Onyeneke & Iruo, 2012).

In Nigeria, one of the greatest obstacles that small businesses have to grapple with is access to funds. The Nigerian Government, after independence in 1960, has made considerable efforts towards the nation's industrial development. The initial efforts were Government-led through the vehicle of large industries, but lately emphasis shifted to small and medium enterprises (SMEs) following the success of SMEs in the economic growth of Asian countries (Ojo, 2013). Since 1986, Government has played down its role as the major driving force of the economy by a process of commercialization and privatization. Emphasis therefore shifted from large scale industries mainly to small and medium scale businesses, which have the potentials for developing domestic linkages for rapid and sustainable industrial development and thereby enhancing their growth.

Attention was focused on the organized private sector to spearhead subsequent industrialization programmes. Incentives given to encourage increased participation in these sectors were directed at solving and/or alleviating the problems encountered by small businesses in the country, thereby giving them greater lee- way towards increasing their contribution to the growth of national economy.

In order to enhance the flow of financial services to the micro, small and medium enterprises, (MSME) subsector, Government in Nigeria has in the past initiated a series of programmes and policies targeted at the small businesses (Oni & Daniya, 2012). In 2003, the Small and Medium Enterprise Development Agency of Nigeira (SMEDAN), an umbrella agency to coordinate the development of the small and medium enterprises sector was established. In the same year, the National Credit Guarantee Scheme for SMEs to facilitate its access to credit without stringent collateral requirements was re-organized and the entrepreneurship development programme was revived.
In terms of financing an innovative form of financing, unique to Nigeria, came in the form of intervention from the Banks through its 246th general meeting held on December 21, 1999.

The Banks agreed to set aside 10% of their profits before tax (PBT) annually for equity investment in small businesses. The scheme amongst other things was aimed at assisting the establishment of new viable SMEs, thereby stimulating economic growth and development of local technology, promoting indigenous entrepreneurship, generating employment and reduction of poverty.

Despite all these efforts, poverty, unemployment and stunted economic growth are still very prevalent in the country as a result of the failure of past attempts by government to fill the gap in the provision of Micro-Credit (Lawson, 2007; Owenvbiugie & Igbinedion, 2015; Obadeyi, 2015).

The microfinance policy regulatory and supervisory frame work (MPRSF) was launched, to amongst other things, address the problem of lack of access to credit by small business operators who do not have access to regular bank credits. It is also to strengthen the weak capacity of such entrepreneurs and raise the capital base of micro finance institutions. The core objective of the Microfinance policy is to make financial service accessible to a large segment of the potentially productive Nigerian population which has had little or no access to financial services and empower them to contribute to rural transformation, economic growth and poverty reduction (CBN, 2005).

In spite of all these financial policies and programmes aimed at assisting SMEs to move out of their financial quagmire, operations of SMEs are still bedeviled by a number of problems. These range from difficulty in accessing credit to stringent loan conditions, short loan repayment period, unwillingness of MFBs to finance some sectors of the SMEs, high cost of input/materials and interest rates. The current structure of lending to the Nigerian economy is such that the bulk of aggregate credit is channeled mainly towards financial market operations and oil traders to the neglect of the key aspects of the real economy such as the SMEs, amongst others. An economy where interest rate hovers between 9 and 17 per cent per annum is not encouraging for the real sector much less for the SMEs which are managing to survive as most of them are not firmly rooted on ground.

Further, MFBs that are supposed to serve the needs of the poor in the rural areas are now being concentrated in the urban areas to the detriment of SMEs located in the rural areas. This can be attributed to the fact that majority of the rural areas are deficient of basic infrastructures, low economic activities, insecurity, among other factors. These aforementioned challenges and the need to examine the correlation between MFBs financing and growth of small businesses necessitate this research study.

Statement of Problem

The level of financial inclusions in forms of credits transmissions for investments in an economy is one of the major elements in determining its future productive capacity and growth. As a matter of fact, the shortage of finance is a critical limiting factor facing the small and medium enterprises and the realization of an entrepreneurial dream globally, especially in developing economies (Oleka, Maduagwu & Igwenagu, 2014).

In Nigeria, one of the greatest obstacles that Small and Medium Scale Enterprises (SMEs) have to grapple with is access to funds. This is further compounded by the fact that even where credit facilities are available, there exists little awareness as well as high interest rates and short repayment period. It is also noteworthy that some microfinance banks are opposed to lending to new businesses making it difficult for young entrepreneurs with business ideas and innovation to get started.

Studies (Edafiaje, 2011; Owenvbiugie & Igbinedion, 2015) have shown that there are too many poor people in South-South Nigeria who require minor/small financial services such as credit, insurance, money transfers, in order to engage actively in productive activities and improve their standard of living. It is ironical that most governments across the world, particularly in Nigeria over the years have not been able to adequately help the poor grow small businesses by the provision of microfinance.

Although, there is plethora of studies that examine the impact of Microfinance Banks on the development of Small and Medium Enterprises in Nigeria, most of these studies have focused on other geographical regions. Abiola (2012), Odeyibi and Olaoye (2012), Olowe et al (2013) etc. investigated the effect of micro financing on the operations of small businesses in some states in the South-west. Onyeneke and Iruo (2012) and Oleka, Maduagwu and Igwenagu (2014) also focused on states in the eastern part of Nigeria. Musa and Aisha (2012), Magaji and Saleh (2010) and Bello (2013) have also carried out studies on micro financing and SMEs with emphasis on some Northern states of Nigeria.

Hence, there has not been any in-depth examination of the impact of microfinance banks on the development of small and medium scale enterprises in the South-South region of Nigeria. Prior studies (Edafiaje, 2011; Owenvbiugie & Igbinedion, 2015) of micro financing of SMEs in the area have mainly focused on discussing the phenomenon with less focus on examining variables such as inflation, interest rate, gestation period, sectorial allocation and their implication on growth of small businesses in the South-South area of Nigeria.

Further, the empirical results on these variables and factors have been divergent and do not give clear cut results signifying that the concerns are still quite unresolved in the literature, thus there is a gap in the studies on micro financing variables and the impact of such variables on SMEs performance in Nigeria. Furthermore, there is also a knowledge gap about how micro financing of SMEs will impact on business growth in the South-South states combined as a clear departure from most of the previous studies that have focused on individual states. This study seeks to fill this gap.

Objectives of the Study

The aim of this study is to empirically examine the extent to which Microfinance facilities can enhance the capacity of small business operators in South-South, Nigeria. Specifically, the study seeks to:

- **(i)** Examine the effect of micro loan disbursed on SBG;
- **(ii)** Determine the relationship between inflation rate and SBG;
- **(iii)** Assess the influence of sectorial micro lending on SBG;
- **(iv)** Determine the impact of micro lending rate on SBG; and
- **(v)** Examine how gestation period of loans affects the growth of small businesses.

Hypotheses

In order to achieve the research objectives and answer the research questions, the following hypotheses stated in null form will be put to empirical test:

Ho1: There is no significant statistical relationship between small business growth and micro loan disbursed.

Ho2: There is no significant statistical relationship between inflation rate and small business growth.

Ho3: There is no significant statistical relationship between small business growth and sectional micro lending.

Ho4: There is no significant statistical relationship between small business growth and micro lending rate

Ho5: There is no significant statistical relationship between small business growth and gestation period of loans.

Research Design

Nachmias and Nachmias (2009) posit that research design is the logical model of proof that allows the researcher to draw inferences concerning an investigation. This study adopts the ex post facto research design. According to Simon and Goes (2013), Ex post facto research design is ideal for conducting research when it is not possible or acceptable to manipulate the characteristics of human participants. Ex post facto research design uses data already occurred but not necessarily amassed for research purposes. The ex post facto design is considered suitable for this study because it is a substitute for true experimental research and can be used to test hypotheses about cause-and-effect or correlational relationships.

Sources of Data

The data is secondary in nature and was obtained from the Central Bank of Nigeria (CBN) Statistical Bulletin, Annual Reports and Statements of Accounts of Micro Finance Banks, World Bank Economic Outlook 1996-2015 as well as the publications of the National Bureau of Statistics (NBS). The data cover the period 1996 to 2015. The study employed annual time series data to estimate the model.

Data Analytical Techniques

The study made use of the Ordinary Least Square (OLS) regression analysis as the data analytical method. The technique was adopted because it is one of the most appropriate methods for examining the relationship between variables. It is also based on the assumption that it is the Best Linear Unbiased Estimator (BLUE) that is appropriate for estimating a model of this nature. To ensure that our model is statistically valid, other diagnostic tests were conducted.

Model Specification

To test the hypotheses developed, a liner and multivariate regression model which expresses the small business growth as a function of financing of small businesses by Micro Finance Banks is stated in functional form as follows:

$SBG = f\,(MLD, INFR, MLS, MLLR, MLRP)$

This can be written in explicit econometric form as:

$SBG_t = \beta_0 + \beta_1 MLD_t + \beta_2 INFR_t + \beta_3 MLS_t + \beta_4 MLLR_t + \beta_5 MLRP_t + e_t$

Where:

SBG = Small Business Growth; MLD = Micro Loan Disbursed; INFR = Rate of Inflation in period; MLS = Micro Loan Spread; MLLR = Micro Loan Lending Rate and MLRP = Micro Loan Return Period.

t represents the time dimension; b_0 = Intercept; b_1, b_2, b_3, b_4, b_5 = parameters to estimated and e = Stochastic or disturbance term.

Data Presentation

Dependent Variable: SBG				
Method: Least Squares				
Date: 11/02/16 Time: 15:04				
Sample: 1996 2015				
Included observations: 20				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	89.07276	123.1533	0.723267	0.4814
MLD	0.000674	0.000547	1.232807	0.0029
INFR	-5.665731	3.716798	-1.524358	0.0217
MLS	2.803257	1.121773	2.498952	0.0255
MLLR	-6.400234	3.339178	-1.916710	0.0759
MLRP	36.73640	17.69992	2.075512	0.0568
R-squared	0.734599	Mean dependent var		37.20800
Adjusted R-squared	0.674564	S.D. dependent var		60.76349
S.E. of regression	57.17586	Akaike info criterion		11.17347
Sum squared resid	45767.11	Schwarz criterion		11.47219
Log likelihood	-105.7347	Hannan-Quinn criter.		11.23178
F-statistic	6.491840	Durbin-Watson stat		2.285441
Prob(F-statistic)	0.002703			

Source: An extract from the result output analyzed with E-View 7.0

The summarized regression results in the table show that the multiple regression models are highly significant. The co-efficient of determination or R^2 is .734. This shows that the model is able to explain about 73 percent of the variations in the small business growth. The adjusted R^2 gives .675 further affirming that 67.50 percent of the variations in the dependent variable of the model are explained by the variations in the independent variables.
Also, the F-Stat of 6.491 shows that the predictor variables are very significantly related with the response variables. The regression model obtained for this study can therefore be used to forecast growth of small businesses fairly.

Test of Hypotheses
Hypothesis One
Ho_1: There is no significant statistical relationship between small business growth and micro loan disbursed.
This hypothesis examined the impact of micro loan disbursed on the growth of small businesses. As observed from the regression statistics table 4.4, a positive relationship exists between MLD and SBG. ($t=-1.232$, $p=0.0029<0.05$). We therefore have enough evidence to reject the null hypothesis which suggests that increase in the amount of loan given is expected to help the small businesses to expand.

Hypothesis Two:
Ho_2: There is no significant statistical relationship between inflation rate and small business growth.
To test this hypothesis, we read off the regression statistics from the table. It can be that there is a negative relationship between inflation rate and small business growth ($t=-1.524$,

p=0.0217<0.05). We therefore reject the null hypothesis as the results suggest that there is a significant negative relationship between inflation and small business growth. Small businesses depend on inputs to carry out their services or production, thus the more stable the prices of such inputs, the better for small businesses.

Hypothesis Three:

Ho_3: There is no significant statistical relationship between small business growth and sectorial micro lending

Hypothesis three examines the impact of micro loan spread on small business growth. As observed, regression estimation (Table 4.4) reveals that a positive relationship exists between MLS and SBG. (t=2.498, p=0.0255<0.05) We therefore use this as some evidence to empirically state that micro loan spread has a significant effect on Nigeria's rate of growth of small businesses.

Hypothesis Four

Ho_4: There is no significant statistical relationship between small business growth and micro lending rate

In testing this hypothesis, we read off the regression result (Table 4.4) on the relationship between small business growth and micro loan lending rate. The result reveals an insignificant negative relation (t=-1.916), p= 0.0759 at 5% significant level. We therefore have enough evidence to state that the rate of micro lending in Nigeria for the period under study has an insignificant negative relationship with small business growth.

Hypothesis Five

Ho_5: There is no significant statistical relationship between small business growth and gestation period of loans.

In testing this hypothesis, we subject the variables micro loan return period and small business growth to statistical test. From the table 4.4, the t-statistics is 2.075 while the p-value is 0.0568. This signifies a weak relationship. The p-value of 0.0568 also implies the acceptance of the null hypothesis and therefore state that there is no significant relationship between small business growth and gestation period.

Discussion of Findings

The relationship between micro financing and small business growth has been a hot topic of scholarly debates for a long time (Niskanen & Niskanen, 2007; Brune, 2009; Odebiyi & Olaoye, 2012; Maduagwu & Igwenagu, 2014; Obadeyi, 2015).

In this paper we conducted an empirical analysis of the relevance of Microfinance Banks on Small Businesses' Growth in Nigeria. The outcome of the data analysis shows the extent of contribution of some chosen variables transformed over the years through micro financing on the SMEs.

Micro Loan Disbursed and Small Business Growth.

The findings of the study revealed a positive relationship between MLD and SBG. This implies that increase in the amount of loan given is expected to help the small businesses to expand. This result meets our priori expectation. This finding agrees with Edafiaje (2011), Brune (2009), Oni and Daniya (2012), Odebiyi and Olaoye (2012) and Oleka, Maduagwu and Igwenagu (2014).

Inflation Rate and Small Business Growth

The study also finds that there is a significant negative relationship between inflation and small business growth. In essence, it implies that small businesses depend on inputs to carry out their services or production, thus the more stable the prices of such inputs, the better for small businesses. The result also meets our priori expectation and is consistent with the findings of Brune (2009).

Micro Loan Spread and Small Business Growth

The study also examined the impact of micro loan spread on small business growth. The findings of the study show that that micro loan spread has a significant effect on Nigeria's rate of growth of small businesses. The implication is that as more funds are disbursed to more sectors of the economy, small businesses experience growth. The result also meets our priori expectation and conforms to findings of Oleka, Maduagwu and Igwenagu (2014), Bello (2013), Odebiyi and Olaoye (2012) and Olowe, Moradeyo and Babalola (2013).

Micro Lending Rate and Small Business Growth

The study also finds that there exists an insignificant negative relationship between small business growth and micro loan lending rate. This implies that high lending rate discourages the growth of small businesses. The result meets our expectation. Niskanen and Niskanen (2007) find a positive relationship between lending rate and growth. However, Olowe, Moradeyo and Babalola (2013), Akande (2012) and Obadeyi (2015) support the findings of this study as they recorded a negative relationship between lending rate and small business growth.

Micro Loan Return Period and Small Business Growth

Finally the study examined the relationship between micro loan return period and small business growth. Findings of the study indicate that there is no significant relationship between small business growth and gestation period. This result did not meet our priori expectation. Prior studies suggest a positive relationship between gestation period and growth of business (Olowe, Moradeyo & Babalola, 2013; Oni & Daniya, 2012; Bello, 2013).

Conclusion

This study was carried out to examine the relationship between small business growth and micro bank financing. The novelty of our analysis comes from its disaggregation of exploratory variables into a number of variants based on the analysis of CBN annual reports and measures from the National Bureau of Statistics (NBS) for the period 1990 to 2015. We have analyzed some simple descriptive statistics and we have used regressions and econometrical approaches, to verify whether micro financing impacts on the growth of small businesses in Nigeria.

The study, using the results of the micro financing of SMEs statistics and exploratory variables in a regression model showed that micro loan disbursed and micro loan spread have a significant positive relationship with small business growth in Nigeria during the period under investigation. The study also found a significant negative relationship between inflation rate and micro loan lending rate and small business growth as well as an insignificant relationship between micro loan spread and small business growth in Nigeria. The study therefore concludes that micro financing of small businesses by micro finance banks has a great effect in stimulating the economy.

Recommendations

The policies and programmes to influence the establishment of micro finance banks in rural communities should be encouraged. This will enhance access to credit, encourage banking habits among the rural dwellers, and ensure even rural development and growth of small businesses.

Emphasis should be placed on lending to preferred sectors like Agriculture and mining. The interest rate should be a single digit to reduce the default rate and tenor of loans should be extended to allow micro business time to grow and expand before repayment.

The Government regulatory agencies such as Central Bank of Nigeria, Financial Reporting Council of Nigeria, Independent Corrupt Practices and other related Offences Commission etc. should carry out on regular basis both on site and off site examination of micro finance banks and the loan beneficiaries to ensure compliance with laid down rules and regulations.

References

Ahiabor, G. (2013). The impact of microfinance on the development of small scale enterprises in the Ledzorkuku-Krowor Municipality in the Greater Accra Region of Ghana. *European Journal of Business and Management*, 5(7), 165-172.

Akanji, D. (2006). Microfinance as Strategy for Poverty Reduction. Central Bank of Nigeria Research Department. *Economic and financial Review*, 39(4), 7.

Anyanwu, C.M. (2004). Microfinance Institutions in Nigeria: Policy, Practice and Potentials. Paper presented by Deputy Director Central Bank of Nigeria, C.M. Anyanwu, at the G24

Arbaugh, J.B. & Sexton, D.I (1996). New firm growth and development: a replication and extension of Reynolds' research, *Journal of Enterprising culture*, 4 (1), 19-36

Ashamu, S.O. (2014). The impact of micro-finance on small scale business in Nigeria. *Journal of Policy and Development Studies*, 9(1), 179-193.

Bekele, E & Zeleke, W. (2008). Factors that affect the long-term survival of micro, small and medium enterprises in Ethiopia. *South African Journal of Economics*, 76(3), 1-33

Carpenter, *C*. (2001). Making small business finance profitable in SME finance in Nigeria. Retrieved from: www.nipc.ng.org

Carland, J,F. (1984). Differentiating entrepreneurs from small business owners: a conceptualization. *Academy of Management Review*, 9(2), 354 – 359.

Central Bank of Nigeria. (2004). Draft National Microfinance Policy and Regulation Guidelines For Nigeria. Available. www.centralbank.org/out/publication/draft/dfd/2005microfinance% policy

CBN (2015). Statistical Bulletin. Lagos: CBN

Davidson, P. (1989). Empirical analysis of business growth factors using Swedish data. *Journal of Small Business Management*, 40, 332 -349

Chukuemeka, I. L. (2004) Problem of Financing Small Scale Businesses in Nigeria. An MBA Research Publication, University of Nigeria, Nsuka.

Kirby, P. (2002). Breaking the entrepreneurial bottlenecks in less developing countries. *Journal of Development Planning*, 2 (18), 98-104.

Kolvereid, L. & Bullrag, E. (1996). Growth intention, actual growth: The impact of entrepreneurial choice, *Journal of Enterprising Culture*, 4(1), 1-17

Kurfi, A.K. (2006) Factors militating against the development of small scale industries in Nigeria: The Kano Metropolis experience. *Journal of Social and Management Sciences*, Bayero University, Kano Nigeria, 11(1), 102-109.

Lawson, B. (2007). Access to Finance for Small and Medium Enterprises, Financial System Strategy 2020. International Conference, held on 12th June 2007 at Hilltop Hotel Abuja Nigeria.

Magaji, S. & Saleh, S.A. (2010).The role of small scale industries in the economic development of Nigeria. *Abuja Journal of Banking and Finance*, 2(2), 11.

Makorere, R. (2014) The role of microfinance in promoting small and medium enterprises (SMEs) in Tanzania. *Global Business and Economics Research Journal*, 3(2), 1-19.

Mosely, E.E. (2001). Life cycle characteristics of small professional service firms. *Journal of Small Business Management*, 44(3), 421–437

Musa G.G. & Aisha, U (2012). Financing small and medium enterprises: A challenge for entrepreneurial development in Gombe State. *Asian Journal of Business and Management Science*, 2(9), 17-23.

Mustapha M. (2009). The role of micro finance banks in the promotion and development of entrepreneurship in semi- urban and rural area of Nigeria. *Bayero University Journal of Economics,* 2 (4), 52-60.

NEEDS (2004). National Economic Empowerment and Development Strategy: Abuja National Planning Commission.

Neter, J., Wasserman, W., & Kutner, M. (1998). *Applied Linear Regression Models*. Homewood, III: Richard D. Irwin, 2nd edition.

Nigeria Deposit Insurance Corporation (NDIC). (2015). Microfinance banks with regulatory concerns.

Niskanen, M. & Niskanen, J. (2007) The determinants of firm growth in small and micro firms - evidence on relationship lending effects. *Small Enterprise Development*, 24, 45-63

Obadeyi, J. A. (2015) Microfinance banking and development of small and medium scale enterprises in margining economy: Nigerian Approach. *IOSR Journal of Economic and Finance*, 6(2), 53-59.

Odebiyi, O. C. & Olaoye, O. J. (2012).Small and medium scale aquaculture enterprises (SMES) development in Ogun State, Nigeria: The role of microfinance banks. *Libyan Agriculture Research Centre Journal International*, 3(1), 17-19.

Ofoegbu, E.O., Akanbi, R.A., & Joseph, A.T. (2013). Effect of contextual factors on the performance of SME's in Nigeria: A case study of Ilorin Metropolis. *Advance in Management and Applied Economics* 3(1), 95-114

Ogujuiba, K. Fadila, J & Stiegler, N. (2013) Challenges of microfinance access in Nigeria: Implications for and entrepreneurship development. *Mediterranean journal of Social Sciences*, 4(3), 34-45.

Ojo, A.T. (2003). Partnership and strategic alliance, effective SME development and SMIEIS: Effective implementation strategies, *CIBN Press ltd*, 185-212

Okoy C.A. (2010). The role of banks in enterprises financing: African experience. *Journal of International Economics*, 5(12), 88-120

Oleka, C.D., Maduagwu, E. N., & Igwenagu, C. M. (2014). Analysis of the impact of micro-finance banks on the performance of small and medium scale enterprises in Nigeria. *Journal of Management and Social Sciences*, 1(2), 45-63.

Olowe, F.T., Moradeyo, O.A., & Babalola, O.A. (2013). Empirical study of the impact of microfinance bank on small and medium growth in Nigeria. *International Journal of Academic Research in Economics and Management Sciences*, 2(6), 116- 124.

Omoye , S. A. & Eriki, P. O. (2013). Diversity in board ethnicity and firm performance: An empirical investigation of selected quoted firms in Nigeria. *African Journal of Social Sciences*, 3(4), 35-45

Oni, E. O. & Daniya, A. A. (2012). Development of small and medium scale enterprises: The role of government and other financial institutions. *Arabian Journal of Business and Management Review*, 1(7), 16-21.

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), 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), 241-248.

Papadaki, E. & Chami, B (2002). Growth determinants of micro-business in Canada. Small Business Policy Branch, Idustry Canada.

Sexton, A. & Smilar. R. (1997). Social capital: Its origins and applications in contemporary sociology. *Annual Review of Sociology*, 24, 1-24

Simon, M.K. & Goes, J. (2013). *Dissertation and Scholarly Research: Recipe for Success*. Seatle, W.A: Dissertations Success LLC.

SMEEIS (2005) *Revised Guidelines for the Operation in Nigeria*. Lagos: Unipress.

United States Agency for International Development (USAID). (2005). Assessing the impacts of microenterprise, interventions: a framework for analysis, managing for results, Working Paper No.7

World Bank Report (2015). World Bank Estimates, Washington DC.