THE EFFECTS OF ACCESS TO CREDIT ON FINANCIAL PERFORMANCE OF SMALL AND MEDIUM-SIZED ENTERPRISES IN BAMENDA, CAMEROON

AKWO Kelvin Ndofor ✉

Faculty of Economics and Management Sciences, The University of Bamenda, Cameroon
andofor@outlook.com

NGWA Cynthia Lum

Faculty of Economics and Management Sciences, The University of Bamenda, Cameroon
lumcyn01@gmail.com

Abstract

The primary goal of this research is to examine the effects of credit availability on the financial performance of small and medium-sized businesses in Bamenda, Cameroon. The study used a mixed methods approach to collect and analyze data from a sample of 185 SMEs in Bamenda, selected using a multistage sampling technique. A key informant was used to collect primary data and a structured pretested questionnaire to collect quantitative data. The study employed descriptive statistics and inferential statistics mainly ordinary least squares (OLS). The findings demonstrated a strong and favorable effect of loan approval rates on financial performance; the study highlights a positive relationship between loan size and financial performance. The study indicates that collateral requirements have a positive impact on financial performance; additionally, the study confirms the statistically significant result and the significant positive impact of credit costs on financial performance. Larger loan sizes are also linked to better financial performance for SMEs. SMEs' financial performance generally improves as credit costs rise, highlighting the significance of properly taking credit costs into account when choosing a financing option. Further, policymakers should prioritize developing measures to improve the loan approval process for SMEs. This could include streamlining procedures, lowering procedural barriers, and assisting and advising financial institutions to ensure rapid and effective loan approvals.

Keywords: Credit accessibility, financial performance, small and medium-sized enterprises, Bamenda

INTRODUCTION

In the contemporary global economic landscape, small and medium-sized enterprises (SMEs) are recognized as crucial drivers of economic growth, innovation, and job creation. This recognition is increasingly evident in both academic research and policy discussions, particularly regarding the critical challenges SMEs encounter, such as limited access to credit. This issue is vital because credit availability significantly affects SMEs' operational efficiency, growth potential, and overall economic contribution (Mohammed & Bunyaminu, 2021).

A report by the World Bank (Wellalage & Locke, 2020) underscores that nearly 70% of SMEs in developing nations face challenges in accessing formal financial services, including credit. This limitation not only hampers their ability to invest and grow but also poses risks of financial instability, increased debt burdens, and heightened bankruptcy threats (Santos & Cincera, 2022). In response to these financial constraints, SMEs often turn to alternative financing methods, which come with higher interest rates and additional financial burdens (Islam & Chitakunye, 2019).

The role of credit availability in enhancing SME performance cannot be overstated. Access to financial resources enables SMEs to expand their business scope, invest in innovation, and increase their market competitiveness (Gora et al., 2023). However, the lack of access to credit can lead to stagnation, limiting their ability to adopt new technologies and expand their market presence. This scenario is further compounded by issues such as high interest rates, stringent collateral requirements, and a general lack of credit history, which pose significant obstacles to SMEs seeking financial support (Yoshino & Taghizadeh-Hesary, 2019).

Research has consistently shown that SMEs with better access to credit are more likely to be profitable. This is attributed to their enhanced ability to manage cash flows, invest in growth opportunities, and adapt to market changes (Beck et al., 2009). The dynamics of loan approval rates and loan sizes play a crucial role in shaping SMEs' financial strategies, directly impacting their working capital management and long-term financial health (Mahmood et al., 2022; Meng et al., 2022).

The complexity of credit access is further influenced by collateral requirements and interest rates. While providing collateral can ease access to credit by reducing lender risks, overly stringent collateral demands can severely restrict SMEs' ability to secure necessary funds. This situation can adversely impact their operational capabilities, financial performance, and growth potential (Cowling et al., 2020).

Globally, SMEs are vital components of national economies. In countries like the United States, the United Kingdom, and others across Europe and Asia, SMEs contribute significantly to employment and GDP. However, despite their importance, these enterprises frequently

struggle to obtain formal credit, thereby limiting their economic impact and growth prospects (Al-Mamary et al., 2020; Muriithi, Fasola et al., El-Gohary, 2010).

In African nations like Cameroon and Nigeria, the situation is particularly challenging. SMEs in these regions face steep collateral requirements and high-interest rates, making it difficult for them to access formal financial services. This lack of access to credit is a major impediment to their growth and development, preventing them from fully realizing their potential to contribute to the economy (Bin et al., 2021; Eniola, 2021).

This study aims to delve into the intricate relationship between credit access and the financial performance of SMEs, with a specific focus on Bamenda. It will examine how various factors, such as loan approval rates, loan sizes, collateral requirements, and the overall cost of credit, influence the financial success of SMEs. The significance of this research lies in its potential to provide valuable insights that can guide policy formulation and financial practices, ultimately fostering the growth and economic advancement of SMEs in the region.

LITERATURE REVIEW

Conceptual Literature

The literature review explores key concepts central to understanding the relationship between credit availability and the financial performance of SMEs. These concepts include credit accessibility, determinants of credit availability, and the implications of these factors on SMEs' financial performance.

Credit Accessibility

Credit accessibility is crucial for economic growth and business development. It is defined as the ease with which individuals or businesses can obtain financial resources for productive activities. Ebner (2001) views it as the readiness of financial institutions to provide funds based on creditworthiness and risk. Beck (2007) emphasizes the importance of a functional credit market in offering diverse funding sources. Borio & Zhu (2012), and Razzaq et al., (2019) also contribute to this understanding by highlighting factors like economic conditions and lending behaviors that shape credit availability.

Determinants of Credit Availability

Several factors determine the availability of credit, including loan approval rates, loan size, collateral requirements, and the cost of credit.

- ***Loan Approval Rate***: This metric indicates the proportion of loan applications accepted by lenders. A high loan approval rate is essential for SMEs to access funds for growth and

investment. Chen et al. (2017) describe it as a reflection of lenders' underwriting success and borrowers' access to credit.

- **Loan Size**: Representing the total borrowed amount, loan size is a key aspect of loan agreements. Adedeji (2021) highlights its role in defining the scale of borrowing and its impact on business expansion.
- **Collateral Requirements**: Collateral is crucial for reducing risk in lending. Steijvers et al. (2010) note that collateral requirements are often higher for younger and smaller firms, especially in emerging markets. The lack of collateral is a significant barrier to finance, as found in the study by Dlamini (2015).
- **Cost of Credit**: This encompasses all expenses related to borrowing, including interest and fees. Kuipa (2019), outlines various components of the cost of credit, emphasizing its impact on borrowers' financial burden.
- **SME Size**: The size of an SME can influence its perceived creditworthiness. Larger SMEs are often seen as less risky, with better access to credit due to more established operations and potential collateral (Hernández-Cánovas & Martínez-Solano, 2010).

Financial Performance

Financial performance is an objective measure of an SME's ability to utilize assets effectively to generate revenue. It encompasses profitability, liquidity, solvency, and efficiency. Arkan (2016) discusses its importance in reflecting a firm's overall economic health.

Empirical Literature

Studies like Anderson et al. (2023) demonstrate a positive correlation between loan approval rates and SME financial performance, emphasizing the importance of efficient credit evaluation and the need for financial institutions to streamline loan approval processes. Mai et al. (2023) specifically highlights this impact in developing economies, recommending more flexible lending criteria. Cheong et al. (2020) find that bank financing positively influences SMEs more than non-bank financing, suggesting the need for diverse financing options and collaboration between banks and non-bank financial institutions.

Research by Kaul and Gupta (2019) indicates that an optimal loan size is crucial for maximizing SME financial performance, with both excessively large and small loans being detrimental. Chodorow-Reich et al. (2022) confirm a U-shaped relationship between loan size and financial performance, advocating for flexible loan sizing strategies by financial institutions.

Verma et al. (2021) find that higher collateral requirements negatively impact SME financial performance, especially in emerging economies. Elewa & El-Haddad (2019) suggest

that more lenient collateral requirements enhance SME financial outcomes, indicating the need for financial institutions to adopt flexible collateral policies and risk-based lending practices. Mandipa and Sibindi (2022) emphasize the long-term effects of collateral requirements, recommending that financial institutions consider multiple dimensions of creditworthiness beyond collateral.

Study by Islam et al. (2018) show that higher credit costs negatively affect SME financial performance, with microenterprises being more adversely impacted than small enterprises. Johnson (2020) highlights the need for competitive interest rates and fee structures to improve SME financial outcomes. Sohilauw et al. (2020) emphasize the long-term relationship between credit cost and financial performance, advocating for pricing strategies that align credit costs with SME risk and creditworthiness.

Credit availability is critical for SME growth and expansion. It enables investment in new projects and market opportunities, directly impacting financial performance. Studies by Salehi et al. (2019) highlight how credit access influences SMEs' productivity and profitability. Conversely, limited credit access can impede growth and innovation, affecting financial success (Motta, 2020). The relationship between credit availability and financial performance is multifaceted, with effective credit utilization and sound financial management also playing key roles (Lu et al., 2020; Agwuna, 2022)
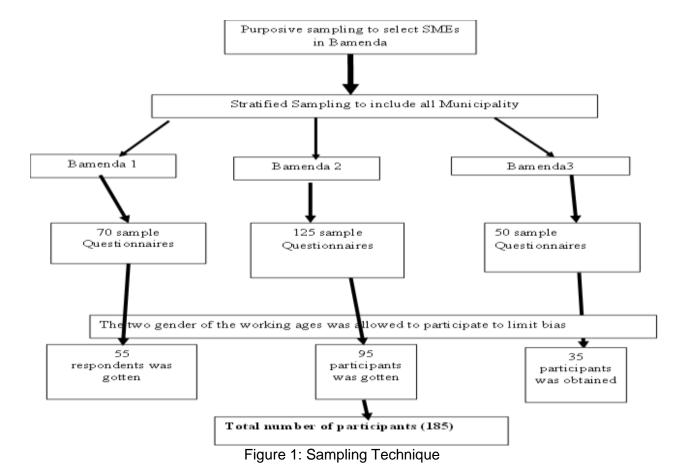
Theoretical Literature

The Pecking Order Theory, developed by Myers and Majluf (1984), suggests that firms prioritize internal financing sources over external ones due to asymmetric information in financial markets. This theory is particularly relevant to SMEs, as studies by Berger and Udell (1998) and others have shown. SMEs tend to follow a funding hierarchy: personal savings and retained earnings first, then short-term borrowings, longer-term debt, and least preferred, new equity investors. This preference is driven by the desire of SME owners to maintain control and the higher costs and constraints associated with external funding. Studies like those by Hasni and Mubarak (2021) support this view, indicating that SME financing aligns with the Pecking Order Theory. Holmes and Kent (1991) further describe this tendency as a "modified" or "constrained" version of the theory, highlighting the limited financing options for SMEs and their reluctance to dilute ownership.

The Trade-Off Theory, evolving from Modigliani and Miller's work, posits that firms balance the costs and benefits of debt to determine optimal capital structure. This theory, particularly relevant to SMEs, suggests firms set a target debt-to-value ratio by weighing debt tax shields against bankruptcy costs. Myers (1984) emphasized this balancing act, while studies

like López-Gracia and Sogorb-Mira (2008) found that both Trade-Off and Pecking Order theories explain SME financial behavior, with debt tax shields playing a significant role. However, contrary views, such as those from Michaelas, Chittenden, and Poutziouris (1999) and Bartholdy and Mateus (2008), argue that SMEs benefit less from debt tax shields due to lower profitability and capital intensity and that tax rates don't significantly influence SME debt levels, challenging the universal applicability of the Trade-Off Theory in smaller firms.

METHODOLOGY

This study investigated the impact of credit accessibility on the financial performance of Small and Medium-sized Enterprises (SMEs) in Bamenda, Cameroon. Conducted over nine months, the research focused on formally registered SMEs in the Bamenda municipalities, within the Northwest Region of Cameroon. This area was chosen due to its economic significance and diverse SME landscape.

Figure 1: Sampling Technique

Primary data was collected using structured, self-administered questionnaires designed with a five-point Likert scale. These questionnaires were distributed to managers and business

owners of SMEs in Bamenda. A multistage stratified random sampling technique was employed. The target population comprised SMEs operating within the three Bamenda municipalities. A representative sample was ensured by selecting participants randomly from each municipality. This gave a sample size of 185 respondents.

The questionnaire covered variables like loan approval rates, loan size, collateral requirements, and cost of credit. Its design incorporated feedback from a pilot study to enhance clarity and response rate. The reliability of the questionnaire was assessed using Cronbach's Alpha, showing moderate to good internal consistency across different variables. Pretesting was conducted with a subset of respondents to ensure the instrument's validity.

Table 1: The Cronbach Alpha Test of Reliability

Variables	Cronbach Alpha	No of Items
Loan approval rate	0.657	4
Loan size	0.613	4
Collateral requirement	0.578	4
Cost of credit	0.615	4
Financial performance	0.778	6

From Table 1 above, the reliability statistics suggest that the items measuring loan approval rate, loan size, collateral requirement, and cost of credit have moderate internal consistency. In contrast, the items measuring financial performance demonstrate good internal consistency, indicating that they reliably capture the construct of financial performance.

The study utilized both descriptive and inferential statistics, with data processed using SPSS and STATA software. Multiple linear regression analysis was applied to examine the relationship between credit accessibility and financial performance. The primary model was: *FP = f(CREDIT ACCESSIBILITY),* with financial performance (*FP*) as the dependent variable. Independent variables included loan approval rate, loan size, collateral requirements, and cost of credit as seen in the following economic model:

$$FP_i = \beta_0 + \beta_1 LAR_i + \beta_2 LS_i + \beta_3 CR_i + \beta_4 CC_i + \beta_5 FA_i + \mu_i$$

Where,

FP represents financial performance, *LAR* represents Loan approval rate, *LS* represents Loan size, *CR* represents Collateral requirement, and *CC* represents Cost of credit and control variables *FA* represents Firm age are the explanatory variables in the multivariate analysis and the choice of these variables relies on the Measurability of financial performance of small and

medium-sized enterprises in Bamenda municipalities. The β_0 is a constant term β_1 to β_5 are estimated parameters in the model and μ_i is an error term.

RESULTS

Table 2: The Demographic Characteristics of Respondents

		Frequency	Percentage
Gender	Male	99	53.0
	Female	86	47.0
	Total	185	100.0
Age	20 – 25	06	03.6
	26-30 years	08	04.3
	31-35	48	25.8
	36-40	73	39.2
	41 above	50	26.9
	Total	185	100.0
Marital Status	Single	101	54.3
	Married	84	45.7
	Total	185	100.0
Level of Education	High school diploma or equivalent	29	15.6
	Bachelor's degree	73	39.7
	Master's degree	48	25.8
	Doctorate	21	11.3
	Other (please specify)	14	7.5
	Total	185	100.0

The demographic distribution of Small and Medium-sized Enterprise (SME) owners in Bamenda shows a balanced gender representation, with 53% male and 47% female owners. The majority of these entrepreneurs are in the 36-40 age range (39.2%), followed by those 41 years and above (26.9%), indicating a prevalence of more experienced business owners. Younger age groups (20-25, 26-30, and 31-35 years) are less represented, suggesting a potential area for increased support and development for young entrepreneurs.

Regarding marital status, a slight majority of SME owners are single (54.3%), with married individuals making up 45.7% of the respondents. This diversity indicates that entrepreneurship in Bamenda appeals to individuals regardless of marital status.

Education-wise, a significant portion of SME owners have a higher education background, with 39.7% holding at least a bachelor's degree. While a substantial number have high school diplomas (15.6%), there is also notable representation among those with master's (25.8%) and doctorate degrees (11.3%). This indicates that while a range of educational backgrounds are present among SME owners, higher education appears to play a role in entrepreneurial activities and access to credit in Bamenda.

Table 3: Summary of Descriptive Statistics

Variable	Obs.	Mean	Std. Dev.	Min	Max
Loan approval rate	185	2.598649	1.000712	1	4.25
Loan Size	185	2.575676	1.271159	1	5
Collateral security	185	3.036486	1.208701	1	5
Cost of credit	185	2.748649	1.274887	1	5
Age of the Institution	185	4.605405	1.897072	2	11
Financial Performance	185	2.769405	1.384356	1	5

The study on Small and Medium-sized Enterprises (SMEs) in Bamenda reveals several key aspects of their credit experiences. SMEs generally have a moderate level of success in securing loan approvals, with noticeable variation among different businesses. The average loan size also indicates that SMEs tend to receive moderate amounts, although there's significant variability, reflecting a range of financing needs.

Collateral requirements for SMEs show moderate levels on average, but with considerable differences among businesses, suggesting varied lending requirements. Similarly, the cost of credit is moderately high, with some SMEs facing higher costs than others, indicating a need for more affordable financing options.

The age of SMEs varies, with a mix of newer and more established businesses seeking credit. This diversity points to the need for lenders to consider the different stages of business development when evaluating loan applications.

Finally, the financial performance of SMEs is generally moderate, but with varying levels among different businesses. This indicates potential for growth and improvement, suggesting

that enhanced access to credit and tailored support could positively impact the overall health and sustainability of SMEs in the region.

Table 4: Pairwise Correlation Analysis

	Loan approval rate	Loan Size	Collateral security	Cost of credit	Age of the Institution	Financial Performance
Loan approval rate	1.0000					
Loan Size	0.0610	1.0000				
Collateral security	0.2086	0.0237	1.0000			
Cost of credit	0.1408	0.3788	0.1647	1.0000		
Age of the Institution	0.2268	0.1435	0.1395	0.0789	1.0000	
Financial Performance	0.2057	0.3449	0.0639	0.7362	0.0780	1.0000

The study on SMEs in Bamenda uncovers various correlations in their credit dynamics. A weak positive correlation between loan approval rates and loan sizes (0.0610) suggests that higher approval rates don't significantly influence larger loan sizes. Similarly, there's a weak positive link between loan approval rates and credit costs (0.1408), implying that more easily approved loans might incur higher costs. Loan size and collateral security also show a weak positive relationship (0.0237), indicating that bigger loans might demand more collateral, possibly hindering access for SMEs with limited collateral. There's a moderate positive correlation between loan size and credit cost (0.3788), suggesting that larger loans are generally costlier. A strong positive correlation (0.7362) between credit cost and financial performance points to higher credit costs potentially harming SMEs' financial health. Finally, the age of an SME has a weak positive correlation (0.1395) with collateral security, suggesting that older institutions might be more likely to provide collateral.

As a prelude to the regression analysis, it was necessary to ascertain that Multicollinearity was not a major concern in the model. Table 4 presents the results of the variance inflation factor test of Multicollinearity.

Table 5: The Variance Inflation Factor test of Multicollinearity

Variables	VIF	1/VIF
Cost of credit	1.53	0.651640
Loan Size	1.28	0.781302
Collateral requirement	1.26	0.795426
Loan approval rate	1.25	0.802514
Age of the Institution	1.03	0.971166
Mean VIF	1.27	

Table 4 shows the VIF results, used to measure, the degree of multicollinearity. When the VIF of a coefficient of a variable exceeds 10, then that is considered as highly collinear, and Multicollinearity becomes a problem (Gujarati & Bernier, 2004). The mean Variance Inflation Factor (VIF) of 1.22 suggests that there is generally low multicollinearity among the independent variables in the regression model. With a mean VIF of 1.27, it suggests that the independent variables in the regression model are not strongly correlated with each other. This is desirable because lower levels of multicollinearity allow for more accurate and stable coefficient estimates, as well as easier interpretation of the effects of individual predictors.

Table 6: Breusch-Pagan / Cook-Weisberg Test for Heteroskedasticity

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
Ho: Constant variance
Variables: fitted values of FP
chi2(1) = 7.80
Prob > chi2 = 0.0052

Table 5 shows the outcome of the Breusch-Pagan/Cook-Weisberg test, the test result indicates a probability (Prob) value of 0.0052, which is essentially zero. This implies that there is strong evidence to reject the null hypothesis of homoscedasticity, meaning that heteroscedasticity is present in the regression model. To correct this the study, makes use of robust standard errors to obtain valid inferences. Robust standard errors adjust the standard errors of the estimated coefficients to account for heteroscedasticity. This approach allows you to obtain reliable hypothesis tests and confidence intervals without assuming homoscedasticity as shown on the regression table 7.

Table 7: Presentation of Regression Results

Financial performance	Coef.	Robust Std. Err.	t	P>t	[95% Conf. Interval]	
Loan approval rate	0.2030617	.1142087	1.78	0.077	-.0223069	.4284304
Loan Size	0.6602889	.0890103	7.42	0.000	.4846444	.8359334
Collateral requirement	0.0869393	.0573519	1.52	0.131	-.0262335	.200112
Cost of credit	0.7137543	.0746826	9.56	0.000	.5663826	.8611259
Age of the Institution	0.0079276	.031335	0.25	0.801	-.0539059	.0697612
Constant	-1.610442	.2553737	-6.31	0.000	-2.114373	-1.106512
Number of obs			=		185	
F(5, 179)			=		134.27	
Prob > F			=		0.0000	
R-squared			=		0.7092	
Root MSE			=		.75682	

The study's analysis of SMEs in Bamenda reveals several significant findings regarding the impact of various factors on financial performance. The P-value of the F-statistic being 0.000 at a 1% level of significance indicates that the independent variables collectively have a significant relationship with the dependent variable. This means the model's variables are statistically significant in predicting financial performance.

Specifically, the loan approval rate shows a positive effect on financial performance, with a coefficient of 0.2030617. This suggests that an increase in the loan approval rate leads to an increase in financial performance. With a p-value of 0.077, this effect is significant at the 10% level, and the confidence interval indicates a 90% likelihood that the true effect lies within the specified range.

Similarly, loan size has a positive impact on financial performance, with a much larger coefficient of 0.6602889. This substantial effect is highly significant, as indicated by a p-value of 0.000, and falls within a confident range at the 1% significance level.

On the other hand, the effect of collateral requirements on financial performance is not statistically significant at the 10% level, as its p-value of 0.131 exceeds the threshold. This implies that collateral requirements don't significantly affect financial performance, and the confidence interval supports this conclusion.

The cost of credit also positively influences financial performance, with a coefficient of 0.7137543. This significant effect at the 1% level suggests that changes in the cost of credit markedly impact financial performance, with a high level of confidence in this relationship.

Overall, the R-squared value of 0.7092 indicates that about 70.92% of the variability in financial performance is explained by the model's independent variables, signifying a good fit. However, there remains 29.08% of variability unaccounted for, possibly due to other factors not included in the model.

CONCLUSION AND POLICY IMPLICATIONS

The primary purpose of this study was to the effect of credit accessibility on the financial performance of small and medium-sized enterprises in Bamenda. According to the findings of the objectives, the findings of the study reveal several important insights regarding the factors influencing the accessibility of small and medium-sized enterprises (SMEs) in Bamenda to credit. Firstly, the study highlights the significant and positive impact of loan approval rates on financial performance. Improving the loan approval process and increasing access to financing can enhance the financial performance of SMEs, emphasizing the importance of supporting SMEs in securing loans. Secondly, the study underscores the positive relationship between loan size and financial performance. Larger loan sizes are associated with better financial performance for SMEs, emphasizing the need for adequate funding to support their growth and success. Thirdly, while the study suggests a positive effect of collateral requirements on financial performance, the statistical insignificance result and lastly, the study confirms the significant and positive effect of the cost of credit on financial performance. As the cost of credit increases, SMEs' financial performance tends to improve, underscoring the importance of carefully considering the cost of credit when making financing decisions.

This study's main goal was to determine how Bamenda's small and medium-sized businesses' financial performance was impacted by their ability to obtain loans. The study's results provide various significant insights into the issues affecting the small and medium-sized enterprises' (SMEs') ability to obtain credit in Bamenda, as per the objectives' findings. First of all, the report emphasizes how loan approval rates have a major and advantageous influence on financial performance. The financial performance of SMEs can be improved by streamlining the loan approval procedure and expanding access to funding, highlighting the significance of aiding SMEs in obtaining loans. Second, the study emphasizes how loan size and financial performance are positively correlated. Better financial success for SMEs is linked to larger loan levels, highlighting the necessity for adequate funding to support their growth and success. Thirdly, the analysis indicates that collateral requirements have a favorable impact on financial

performance; however, this is statistically insignificant and, finally, the study corroborate that the cost of credit has a significant and beneficial impact on financial performance. The financial performance of SMEs tends to improve as the cost of credit rises, highlighting the significance of carefully taking the cost of credit into account when making financing decisions.

REFERENCES

Adedeji, A. S. (2021). Islamic financing and entrepreneurship development: Providing an alternative model for new venture growth. *Finance, Management & Entrepreneurship, 91*.

Agwuna, L. U. (2022). 7 Entrepreneurship financial stability and implications. In *The Future of Entrepreneurship in Africa: Challenges and Opportunities Post-pandemic* (pp. 122).

Al-Mamary, Y. H., Alwaheeb, M. A., Alshammari, N. G. M., Abdulrab, M., Balhareth, H., & Soltane, H. B. (2020). The effect of entrepreneurial orientation on financial and non-financial performance in Saudi SMEs: A review. *Journal of Critical Reviews, 7*(14), 270-278.

Andersson, M., Eklund, J. E., & Tsvetkova, A. (2023). Spatial variations in financial constraints of SMEs—evidence from firm-level estimates of investment-cash flow sensitivities in Sweden. *Small Business Economics, 60*(4), 1683-1698.

Arkan, T. (2016). The importance of financial ratios in predicting stock price trends: A case study in emerging markets. *Finanse, Rynki Finansowe, Ubezpieczenia,* (79), 13-26.

Bartholdy, J., & Mateus, C. (2008). Financing of SME's: an asset side story. *Available at SSRN 1098347*.

Beck, T. H. (2007). Financing constraints of SMEs in developing countries: Evidence, determinants and solutions. *Financing Innovation-Oriented Businesses to Promote Entrepreneurship*.

Beck, T., Demirgüç-Kunt, A., & Honohan, P. (2009). Access to financial services: Measurement, impact, and policies. *World Bank Research Observer, 24*(1).

Berger, A. N., & Udell, G. F. (1998). The economics of small business finance: The roles of private equity and debt markets in the financial growth cycle. *Journal of banking & finance*, *22*(6-8), 613-673.

Bin, J. M., Diangha, S. N., & Ofeh, M. A. (2021). Impact of access to credit on the sustainability of small and medium sized enterprises in Cameroon.

Borio, C., & Zhu, H. (2012). Capital regulation, risk-taking and monetary policy: A missing link in the transmission mechanism? *Journal of Financial Stability, 8*(4), 236-251.

Chen, D., Li, X., & Lai, F. (2017). Gender discrimination in online peer-to-peer credit lending: Evidence from a lending platform in China. *Electronic Commerce Research, 17*, 553-583.

Cheong, C. W., Lee, M. H., & Weissmann, M. A. (2020). Credit access, tax structure and the performance of Malaysian manufacturing SMEs. *International Journal of Managerial Finance, 16*(4), 433-454.

Chodorow-Reich, G., Darmouni, O., Luck, S., & Plosser, M. (2022). Bank liquidity provision across the firm size distribution. *Journal of Financial Economics, 144*(3), 908-932.

Cowling, M., Marlow, S., & Liu, W. (2020). Gender and bank lending after the global financial crisis: Are women entrepreneurs safer bets? *Small Business Economics, 55*, 853-880.

Dlamini, Z. H. (2015). The impact of interest rate on loan repayment and demand for credit: A case study for the Swaziland Development Finance Corporation (FINCORP) [Doctoral dissertation].

Ebner, A. (2001). Schumpeter and the 'Schmollerprogramm': Integrating theory and history in the analysis of economic development. In *Capitalism and Democracy in the 21st Century: Proceedings of the International Joseph A. Schumpeter Society Conference, Vienna 1998 "Capitalism and Socialism in the 21st Century"* (pp. 361-378). Physica-Verlag HD.

Elewa, M. M., & El-Haddad, R. (2019). The effect of audit quality on firm performance: A panel data approach. *International Journal of Accounting and Financial Reporting, 9*(1), 229-244.

El-Gohary, H. (2010). E-Marketing-A literature review from a small businesses perspective. *International Journal of Business and Social Science, 1*(1).

Eniola, A. A. (2021). The entrepreneur motivation and financing sources. *Journal of Open Innovation: Technology, Market, and Complexity, 7*(1), 25.

Gora, K., Dhingra, B., & Yadav, M. (2023). A bibliometric study on the role of micro-finance services in micro, small and medium enterprises. *Competitiveness Review: An International Business Journal*.

Gujarati, D. N., Bernier, B., & Bernier, B. (2004). *Econométrie* (pp. 17-5). Brussels: De Boeck.

Hasni, A., & Mubarak, R. H. (2021). *Constraints of non-oil-related SMEs' access to bank funding: credit discouragement incidents in oil-based economy* (Doctoral dissertation, University of Glasgow).

Hernández-Cánovas, G., & Martínez-Solano, P. (2010). Relationship lending and SME financing in the continental European bank-based system. *Small Business Economics, 34*, 465-482.

Holmes, S., & Kent, P. (1991). An empirical analysis of the financial structure of small and large Australian manufacturing enterprises. *Journal of small business finance, 1*(2), 141-154.

Islam, A., Muzi, S., & Rodriguez Meza, J. L. (2018). Does mobile money use increase firms' investment? Evidence from Enterprise Surveys in Kenya, Uganda, and Tanzania. *Small Business Economics, 51*, 687-708.

Islam, K., & Chitakunye, D. (2019). Get organized or perish: Attracting FDI to grow small food enterprises in Bangladesh. *Small Enterprise Research, 26*(3), 268-287.

Johnson, R. (2020). The link between environmental, social, and corporate governance disclosure and the cost of capital in South Africa. *Journal of Economic and Financial Sciences, 13*(1), 12.

Kaul, N., & Gupta, N. (2019). Financial performance of microfinance institutions in Asia: A comparative analysis. In *The 7th International Research Symposium of the SGBED*.

Kuipa, P. J. T. (2019). The agricultural financing gap in Zimbabwe: Rationing, sustainable credit access, and participation in rural financial markets [Doctoral dissertation, University of the Free State].

López-Gracia, J., & Sogorb-Mira, F. (2008). Testing trade-off and pecking order theories financing SMEs. *Small Business Economics, 31*, 117-136.

Lu, Z., Wu, J., & Liu, J. (2020). Bank concentration and SME financing availability: The impact of promotion of financial inclusion in China. *International Journal of Bank Marketing, 38*(6), 1329-1349.

Mahmood, F., Shahzad, U., Nazakat, A., Ahmed, Z., Rjoub, H., & Wong, W. K. (2022). The nexus between cash conversion cycle, working capital finance, and firm performance: Evidence from novel machine learning approaches. *Annals of Financial Economics, 17*(02), 2250014.

Mai, B. T., Nguyen, P. V., Ton, U. N. H., & Ahmed, Z. U. (2023). Government policy, IT capabilities, digital transformation, and innovativeness in post-Covid context: Case of Vietnamese SMEs. *International Journal of Organizational Analysis*.

Mandipa, G., & Sibindi, A. B. (2022). Financial performance and working capital management practices in the retail sector: Empirical evidence from South Africa. *Risks, 10*(3), 63.

Meng, S., Gao, X., & Duan, L. (2022). Facing the COVID-19 pandemic and developing a sustainable entrepreneurial ecosystem: The theory and practice of innovation and entrepreneurship policies in China. *International Journal of Environmental Research and Public Health, 19*(14), 8797.

Michaelas, N., Chittenden, F., & Poutziouris, P. (1999). Financial policy and capital structure choice in UK SMEs: Empirical evidence from company panel data. *Small business economics, 12*, 113-130.

Mohammed, I., & Bunyaminu, A. (2021). Major obstacles facing business enterprises in an emerging economy: The case of Ghana using the World Bank Enterprise Survey. *Journal of Small Business and Enterprise Development, 28*(3), 475-487.

Motta, V. (2020). Lack of access to external finance and SME labor productivity: Does project quality matter? *Small Business Economics, 54*(1), 119-134.

Myers, S. C. (1984). Finance theory and financial strategy. *Interfaces, 14*(1), 126-137.

Myers, S. C., & Majluf, N. S. (1984). Corporate financing and investment decisions when firms have information that investors do not have. *Journal of financial economics, 13*(2), 187-221.

Razzaq, S., Maqbool, N., & Hameed, W. U. (2019). Factors affecting the elasticity of microcredit demand in southern Punjab, Pakistan. *International Journal of Social Sciences and Economic Review, 1*(2), 46-53.

Salehi, M., Mahdavi, N., Zarif Agahi Dari, S., & Tarighi, H. (2019). Association between the availability of financial resources and working capital management with stock surplus returns in Iran. *International Journal of Emerging Markets, 14*(2), 343-361.

Santos, A., & Cincera, M. (2022). Determinants of financing constraints. *Small Business Economics, 58*(3), 1427-1439.

Sohilauw, M. I., Nohong, M., & Sylvana, A. (2020). The relationship between financial literacy, rational financing decision, and financial performance: An empirical study of small and medium enterprises in Makassar. *Jurnal Pengurusan, 59*, 89-102.

Steijvers, T., Voordeckers, W., & Vanhoof, K. (2010). Collateral, relationship lending, and family firms. *Small Business Economics, 34*, 243-259.

Verma, S., Shome, S., & Patel, A. (2021). Financing preference of listed small and medium enterprises (SMEs): Evidence from NSE Emerge Platform in India. *Journal of Entrepreneurship in Emerging Economies, 13*(5), 992-1011.

Wellalage, N. H., & Locke, S. (2020). Formal credit and innovation: Is there a uniform relationship across types of innovation? *International Review of Economics & Finance, 70*, 1-15.

Yoshino, N., & Taghizadeh-Hesary, F. (2019). Role of SMEs in Asia and the financing challenges they face. In *Unlocking SME Finance in Asia* (pp. 3-22). Routledge.