Informal Business Financing Through People Business Credit Program: Evidence in Indonesia

Rudy Badrudin

STIE YKPN School of BusinessYogyakarta, Indonesia

Abstract:

The Micro Small Medium Enterprises (MSMEs) in Indonesia is increasingly getting developed in the national economy. However, MSMEs have problem, the limited access to banking. The synergies are needed from financial institutions in order to support the increased access to credit for the development of MSMEs. The People Business Credit Program is one of the Government of Indonesia's programs in granting credit to a viable productive enterprise but has not fulfilled the banking requirements under the guarantee pattern. This credit program is done through linkage institutions channeling and executing model. Increasing the role of linkage institutions in credit for MSMEs needs to be viewed from various aspects. Therefore, it is necessary to study about informal business financing through People Business Credit Program through linkage institution, both channeling and executing model. The sample selections are based by judgment sampling. The scope of the areas that become the source of data are Bekasi and Tangerang Regency. Data obtained for the period 2016 to 2018.The result of the study shows that 1) there are not differences amongthe opinion of respondent in answering opinion about the role of linkage institution in improving credit to MSMEs and 2) there are differences amongthe strongly disagree, disagree, neutral, agree, and strongly agree in opinion about the role of linkage institution in improving credit to MSMEs.

Keywords: *business credit program, channeling, executing, perception.*

I. INTRODUCTION

The Micro Small Medium Enterprises (MSMEs) in Indonesia is getting stronger. This is indicated by the data of the Ministry of Cooperatives and MSMEs which states that in 2016 the number of MSMEs in Indonesia was 57,895,721 business units. The MSMEs has contributed 57.56% to Gross Domestic Product (GDP) and employment as much as 96.99% in 2016. As an institution that contribute a significant number in the national economy, but MSMEs has many problems. The classic problem faced by MSMEs is the limited access to banking (Wahyudi, 2014). In 2008, only 12% of MSMEs managed to gain access for funding. Banks are reluctant to open credit access to MSMEs due to several considerations, namely the high administrative costs of selecting, distributing, monitoring, and collecting small-scale credit payments to MSMEs; the high risk of non-performing loans because MSMEs have no experience managing credit and do not yet have a good financial record system; lack of small scale credit guarantee system; and banks have operational limitations in serving small-scale loans to MSMEs because they are bound by the provisions of micro prudential banking (Wahyudi, 2014; Anne et al., 2014; Atandi and Timothy, 2013).

In order to support the improvement of access to finance for the development of MSMEs, it is necessary synergies of financial institutions both banks and non-bank financial industry and other stakeholders. The People Business Credit Program as one of the government programs in providing finance to productive enterprises that are feasible but

not yet fulfill the banking requirements with the underwriting pattern has contributed to increased access for MSMEs to the banking (Wahyudi, 2014; Rotich et al. 2015; Chinonso and Tang, 2016). The development of People Business Credit Program distribution from 2007 until 2014 amounted to Rp178,8 trillion with the number of debtors as much as 12.4 million. The People Business Credit Program distribution in 2016 reached Rp40, 29 trillion with of debtors 2.4 million have Non Performing Loan (NPL) an average of 3.3% (Wahyudi, 2014).

The success of the People Business Credit Program distribution to MSMEs cannot be separated from the role of linkage institution as a mediator in the People Business Credit Program distribution through channeling and executing model. However, the role of linkage institution is not maximal and there are problems caused by NPL problems. In general, the linkage institution is a bank and nonbank, cooperative, and micro finance institution or equivalent with it and business entity in partnership with MSMEs (Anne et al., 2014; Makhetha and Polasi, 2015; Quaye and Alfred, 2014). The People Business Credit Program, several constraints and factors identified influence the distribution of business credit through linkage schemes such as interest rate limits, the amount of credit disbursed, the linkage agency (micro banking, cooperative, and nonbank) law form, the partnership model, and nonfinancial entities partnering with MSMEs (Osano and Hilario, 2016; Babajide, 2012).

The success of the People Business Credit Program will be a solution to the problem of credit limitations for MSMEs in dealing with banks. In the long run easy access with banks will have an impact on the growth of MSMEs in Indonesia. In increasing the role of linkage institution in channeling financing for MSME, it is necessary to see various aspects such as economic, institutional, and legal as well as aspects of service coverage and easy access to finance. Therefore, it is necessary to study the perception of society to People Business Credit Program in Indonesia through channeling and executing model in linkage institution.

II. REVIEW OF LITERATURE

The People Business Credit Program is a form of optimizing financing to MSMEs for the development of MSMEs, both from the side of the initial capital and subsequent MSMEs investment (Wahyudi, 2014; Abubakar et al. 2016). The existence of credit guarantee institution and collateral is a form of protection for the implementing bank if the debtor at maturity of the debt cannot make the payment. Therefore, it is necessary to establish legislation as a form of legal for credit guarantee institution. The difficulties of MSMEs in accessing business credit funds can be overcome by way of implementing banks providing light conditions and guidance and supervision to MSMEs to People Business Credit Program received by MSMEs in accordance with its objectives.

The provision of People Business Credit Program for micro business credit or business credit whose plafond up to Rp20,000,000 can be granted without collateral, but additional collateral is still requested by the bank as done in Bank NagariPasar Raya Branch. It aims to overcome credit risk by 30%. Guarantee liability (PT Askrindo) to be guaranteed in case of default by the debtor is guaranteed. Capital policy is the best strategy that must be applied in determining the policy of MSMEs development (Mole and Namusonge., 2016; Tom et al., 2016). Therefore, the government should simplify the procedure of giving capital policy oriented to MSMEs. The policies are; i) facilitate credit guarantee, providing credit guarantee for MSMEs; ii) facilitate certification of micro and small entrepreneur land; and iii) facilitate MSMEs in establishing partnership of capital development with financial institution, Business Development Service (BDS).

The number of MSMEs that feasible but not bankable as much as 16.6 million. The ratio of the number of People Business Credit Program debtors to the number of MSMEs that category has only reached 68% (Olumuyiwa et al., 1014; Ahiawodzi and Thomas, 2012). The ratio indicates that the challenges and opportunities of People Business

Credit Program in the future is to increase its reach to serve the already feasible MSMEs but have not gained access to this program yet (Wahyudi, 2014; Moruf, 2013; Arogundade, 2010). This indicates that the value of micro banking credit channeled by agencies linkage executing and channeling model with other micro banking credit score is a difference (Bowen et al., 2011; Fatoki and Aardt, 2011). This difference is caused by linkage institution and channeling issues. Some of these problems are hazard. Asymmetric information problem occurs because the linkage institution does not know in detail about the MSMEs both from the prospects and business risks, as well as the character of the customer (Wahyudi, 2014; Quaye and Alfred, 2014; Fatoki and Aardt, 2011). Based on the explanation, the following research hypotheses were prepared:

H1: There are differences among the opinion of respondents in Bekasi and Tangerang Regency in answering opinion about the role of linkage institution in improving credit to MSMEs.

Moral hazard resulted in trauma for banks to extend credit. In the end, both asymmetric information and moral hazard result in market failure, so there needs to be a step to correct the failure (Arogundade, 2010; Zhao et al., 2006). The People Business Credit Program through linkage institutional and channeling is relatively low compared to other credits due to the concern of micro banking linkage to high NPL of linkage debtors (Chinonso and Tang, 2016; Zhao et al., 2006; Ndife and Chinelo, 2013; Mbiti et al., 2015). Based on the explanation, the following research hypotheses were prepared:

H2: There are differences among the strongly disagree, disagree, neutral, agree, and strongly agree in opinion about the role of linkage institution in improving credit to MSMEs in Bekasi and Tangerang Regency.

III. RESEARCH METHODOLOGY

The sample selections are based on nonprobability sampling by purposive sampling method in the form of judgment sampling. Data obtained for the period 2016 to 2018. The scope of the areas that become the source of data are all districts and cities in West Java and Banten Province. The unit of analysis carried out is by regency/city and on an annual basis. Further analysis units are carried out for some micro banking, cooperative, and sharia micro banking samples to assess policy issues, funding types, health, their money management experience, and supervision.

The identification of variables is based on empirical and theoretical studies as a framework of reference consisting of variables legal and policy, institutional of linkage, funding of linkage executing model, funding of linkage channeling model, business health, money management, and monitoring of data samples of micro banking, cooperative, and sharia micro banking in regencies/cities in West Java and Banten Provinces. Variable measures of legal and policy, institutional of linkage, funding of linkage executing model, funding of linkage channeling model, business health, money management, and monitoring use opinion data.

This study uses seven variables and each variable have an indicator. Therefore, before the hypothesis testing will be tested the validity and reliability. The validity test is performed to show the question ability in the questionnaire expressing something that the questionnaire will measure. Testing the question item's validity is done by using factor analysis. The questionnaire item question will be valid if it reaches loading factor more than 0.5. The reliability test is performed to measure whether the respondent's answer is consistent. If the respondent's answer is consistent, then the data is reliable. Reliability testing is performed using the cronbach's alpha value of 0.6. The greater the value of cronbach's alpha the better the research instrument. The tests were performed using two or more average difference tests (ANOVA or F test). In this study □ set at 5%. The hypothesis is accepted when the p-value is smaller than the 5% significance level.

IV. RESULT AND DISCUSSION

Table 1 provides general information descriptively about the characteristics of respondents in the two regencies that became the object of study, namely Bekasi Regency in West Java Province and Tangerang Regency in Banten Province. The number of respondents from Bekasi Regency is 30 people consisting of 17 men and 13 women. While the number of respondents in Tangerang Regency is 46 people (consisting of 33 men and 13 women). Thus, the total respondents for the two regencies are 76 people consisting of 50 men and 26 women.

The age of respondents was mostly in the interval of 41-50 year (31 people). Respondents who are samples in this study most of the cooperative is 36 people (Tangerang Regency as many as 35 people and 1 from Bekasi Regency). Next is the respondents from MSMEs of 19 people who are all from Bekasi Regency. While respondents from micro banking there are 17 people (Bekasi Regency as many as 7 people and Tangerang Regency as many as 10 people). Based on the characteristics of the type of work, the number of respondents is the most respondent with the type of job as a cooperative employee (25 people), then respondents as members of the cooperative as much as 20 respondents, and respondents with employment as a micro banking employee of 17 people.

Table 1: The Characteristics of Respondents

The Characteristics of Respondents	Bekasi	Tangerang	Total
Respondents Total	30	46	76
Man	17	33	50
Woman	13	13	26
20-30 year group	4	8	12
31-40 year group	9	7	16
41-50 year group	12	19	31
>50 year group	6	11	17
Micro banking	7	10	17
Cooperative	1	35	36
MSMEs	19	-	19
Micro banking employee	7	10	17
Micro banking customer	2	-	2
Cooperative employee	1	24	25
Members of the cooperative	8	12	20

Source: Obtained from data processing.

Validity and reliability test results are shown in Table 2 and Table 3.

Table 2: Validity TestRotated Component Matrix[a]

Indi-Cator	Variables/Survey Instruments						
	LP	IL	FLEM	FLCM	BH	MM	M
lp1	.676 *)						
lp2	.638 *)						
lp3	.683 *)						
lp4	.630 *)						
il1		.753 *)					
il2		.806 *)					
il3		.734 *)					
il4		.738 *)					
flem1			.681 *)				

flem2	.721 *)			
flem3	.536 *)			
flem4	.768 *)			
flem5	.751 *)			
flem6	.653 *)			
flem7	.667 *)			
flcm1		.775 *)		
flcm2		.808 *)		
flcm3		.826 *)		
flcm4		.726 *)		
flcm5		.710 *)		
flcm6		.769 *)		
flcm7		.717 *)		
bh1			.684 *)	
bh2			.689 *)	
bh3			.509 *)	
bh4			.686 *)	
bh5			.655 *)	
mm1				.637 *)
mm2				.676 *)
mm3				.641 *)
mm4				.720 *)
mm5				.716 *)
mm6				.649 *)
m1				.617 *)
m2				.629 *)
m3				.641 *)
m4				.620 *)
m5				.646 *)
m6				.691 *)

lp; Legal and Policy
il: Institutional of Linkage
flem: Funding of Linkage Executing Model
flcm: Funding of Linkage Channeling Model
bh: Business Health
mm: Money Management
m: Monitoring

Source: Obtained from data processing.
Remarks: *) all loading factors > 0.5

Based on Table 2 shows that all loading factors > 0.5. Thus all internal variable statement items locus of control declared valid. That is, all indicator variables in the study are declared valid as measuring each research variable

Table 3: Reliability Test

No.	Variable/Survey Instruments	Cronbach's alpha	Category
1	Legal and Policy	0.846	Reliable *)
2	Institutional of Linkage	0.667	Reliable *)

3	Funding of Linkage Executing Model	0.845	Reliable *)
4	Funding of Linkage Channeling Model	0.917	Reliable *)
5	Business Health	0.896	Reliable *)
6	Money Management	0.907	Reliable *)
7	Monitoring	0.819	Reliable *)

Source: Obtained from data processing.
Remarks: *) all cronbach's alpha > 0.6

Based on Table 3, all Cronbach's alpha values are more than 0.6. Therefore it is concluded that all the variables in this study are stated reliable. That is, all variables in the study are declared reliable as measuring each research variable

Table 4 presents a summary of the results of hypothesis 1.

Table 4: Result of Two Difference Tests (H1)Between Bekasi and Tangerang Regency

No.	Variable/Survey Instruments	P_value	Hypothesis
1	Legal and Policy	0.99	Rejected *)
2	Institutional of Linkage	0.99	Rejected *)
3	Funding of Linkage Executing Model	0.69	Rejected *)
4	Funding of Linkage Channeling Model	0.99	Rejected *)
5	Business Health	0.99	Rejected *)
6	Money Management	0.99	Rejected *)
7	Monitoring	0.99	Rejected *)

Source: Obtained from data processing.
Remarks: *) statistically supported at 5% significant level

Based on Table 4, all p_values are more than 5%. Thus, there are not differences amongthe opinion of respondent in Bekasi and Tangerang Regency in answering opinion about the role of linkage institution in improving credit to MSMEs (H1). The opinion is shown in seven aspects, namely legal and policy, institutional of linkage, funding of linkage executing model, funding of linkage channeling model, business health, money management, and monitoring. Thus, respondents in both regions have a relatively equal understanding of the seven surveying instruments' statements.

ANOVA test results of different opinion test in strongly disagree, disagree, neutral, agree, and strongly agree from each research respondents in Bekasi Regency West Java Province and Tangerang Regency of Banten Province is shown in Table 5.

Table5:Results of ANOVA test (H2)

Regency	P_value	Hypothesis
Bekasi	1.61718E-05	Supported *)
Tangerang	2.03199E-06	Supported *)

Source: Obtained from data processing.
Remarks: *) statistically supported at 5% significant level

Based on Table 5, all of p_values are less than 5%. Thus, there are differences amongthe strongly disagree, disagree, neutral, agree, and strongly agree in opinion about the role of linkage institution in improving credit to MSMEs in Bekasi and TangerangRegency (H2). There are differences among the strongly disagree, disagree, neutral, agree, and strongly agree in answering opinionabout legal and policy, institutional of linkage, funding of linkage executing model, funding of linkage channeling model, health business, money management, and monitoring in Bekasi and Tangerang Regency. The difference opinion test results between the strongly disagree, disagree, neutral, agree, and strongly agree in answering opinion about seven survey instruments showed that respondents of research in Bekasi Regency West Java Province and Tangerang Regency Banten Province have understand the meaning of the same opinion. Thus, respondents in both regions have a relatively equal understanding of the various indicators of each of the seven instruments' statements.

Different opinion test results in seven survey instruments showed that respondents of research in

Bekasi Regency in West Java Province and Tangerang Regency in Banten Province in answering the opinions about i) legal and policy;ii) institutional of linkage; iii) funding of linkage executing model; iv) funding of linkage channeling model; v) health business; vi) money management; vii) and monitoring are able to understand the difference among strongly disagree, disagree, neutral, agree, and strongly agree opinion. Consequently, respondents in both areas have a relatively similar understanding of opinion from the various indicators of each of the statements in seven instruments survey.

The linkage agency in the allocation of People Business Credit Program in Indonesia is conducted by micro bankingand cooperatives. Most micro banking is distributed in Central Java, West Java, and East Java Provinces, while the relatively high growth rate of micro banking per provinces in Indonesia occurs in West Sulawesi, West Papua, and Bangka Belitung Islands Provinces. This shows that the spread pattern of micro banking has not been evenly concentrated in Java Island. This is related to the pattern of development in Indonesia which is also uneven is still concentrated in Java. The relatively high rate of growth in the number of micro banking in various provinces outside Java suggests that the spread of economic activity outside Java, especially in areas with natural resource richness. The average growth rate of micro banking in Indonesia in 2016-2018 amounted to 2.94%, 2.33%, and 2.35% (Wahyudi, 2014).

Most of the cooperative is distributed in East Java, Central Java, and West Java Provinces, while the relatively high growth rate of cooperative per province in Indonesia occurs in West Papua, West Sulawesi, and Lampung Provinces. This shows that the cooperative distribution pattern has not been evenly concentrated in Java Island. This is related to the pattern of development in Indonesia which is also uneven is still concentrated in Java. The relatively high growth rate of cooperative in various provinces outside Java shows that the spread of economic activity outside of Java, especially the regions that have natural resources, is beginning to show. The average growth rate of Cooperative in Indonesia in 2016-2018 is 2.73% and 2.89% (Wahyudi, 2014).

The credit scores channeled by micro banking linkage executing and channeling model in each province during the year 2016-2018 are no different. Medium credit schemes disbursed micro banking linkage executing and channeling and other credits per province during the year 2016-2018 there is a difference. This indicates that the value of micro banking credit channeled by agencies linkage executing and channeling model with other micro banking credit score there is a very significant difference (Bowen *et al.*, 2011; Fatoki and Aardt, 2011). This difference is caused by linkage institution and channeling issues. Some of these problems are hazard. Asymmetric information problem occurs because the linkage institution does not know in detail about the MSMEs both from the prospects and business risks, as well as the character of the customer. In addition to asymmetric information, credit consideration is also highly dependent on market share targeted by every financial institution (Wahyudi, 2014;Quaye and Alfred, 2014; Fatoki and Aardt, 2011).

Taking into account such conditions, the development of MSMEs in the form of lending cannot be entirely left to market mechanisms. Otherwise, there will be a market failure where the financial sector cannot allocate financial resources from the surplus spending unit to the deficit spending unit. Meanwhile, moral hazard problems occur because of the use of credit outside the designation should be and usually misuse of the credit resulted in the failure to pay. Moral hazard resulted in trauma for banks to extend credit. In the end, both asymmetric information and moral hazard result in market failure, so there needs to be a step to correct the failure (Arogundade, 2010; Zhao *et al.*, 2006).

The People Business Credit Program through linkage institutional and channeling is relatively low compared to other credits due to the concern of micro banking linkage to high NPL of linkage debtors (Chinonso and Tang, 2016; Ndife and Chinelo, 2013). The micro banking for other non linkage credits whose debtor NPL are relatively low; the limit of People Business Credit Program linkage only once in obtaining credit becomes an inhibiting factor; the assumption that People Business Credit Program is only momentarily like other programs so that micro banking is skeptical in linkage participation; minimum 8% NPL rules for micro banking which will follow People Business Credit Program linkage assessed to be burdensome; the

socialization of People Business Credit Program is not yet optimal because there are still micro banking that do not know and understand about People Business Credit Program; property credit facilities with relatively low interest rate of 6% although the process can last for 1 year; regulation of the Financial Services Authority (OJK) for micro banking participating in the People Business Credit Program linkage; the administration of the implementing bank which is not yet fully smooth becomes an obstacle factor; stigma from MSMEs that government fund (People Business Credit Program) is not mandatory to be returned for MSMEs; and the acquisition of customers between the executing bank and the micro banking linkage executing and channeling model so that the People Business Credit Program linkage executing and channeling model loses customers because the customer is used by the implementing bank to meet the target of the implementing bank in compliance with banking regulations (Zhao *et al.*, 2006; Mbiti*et al.*, 2015).

There is no difference between the value of profit and asset micro banking per province during the year 2016-2018. This shows that the profit and asset micro banking as a reflection of micro banking performance in that time period is relatively constant. This is understandable because most micro banking is distributed in Java Island, namely in Central Java, West Java, and East Java Provinces. If economic activity in Central Java, West Java, and East Java Provinces is limited with certain economic growth patterns due to various factors it will affect the growth rate of micro banking in Central Java, West Java, and East Java Provinces (Wahyudi, 2014). Therefore, the limitation of the pattern of economic growth due to various factors will affect the growth rate of micro banking in Central Java, West Java, and East Java Provinces including the growth rate of profit and micro banking assets, due to the intense competition. This is supported by data of the growth rate of micro banking per province in Indonesia which is relatively high occurred in West Sulawesi, West Papua, and Bangka Belitung Islands. According to the Central Bureau of Statistics, Java contributes to GDP of 58.35% in Q2-2017. Furthermore, the province's contribution to GDP

followed from Sumatra Island by 22.31%, Kalimantan Island 8.22%, Sulawesi Island 5.89%, and the remaining 5.22% in other islands (Wahyudi, 2014).

V. CONCLUSION

There are not differences among the opinion of respondent in Bekasi and Tangerang Regency in answering opinion about the role of linkage institution in improving credit to MSMEs. The opinion is shown in seven aspects, namely legal and policy, institutional of linkage, funding of linkage executing model, funding of linkage channeling model, business health, money management, and monitoring. Thus, respondents in both regions have a relatively equal understanding of the seven surveying instruments' statements. There are differences among the strongly disagree, disagree, neutral, agree, and strongly agree in opinion about the role of linkage institution in improving credit to MSMEs in Bekasi and Tangerang Regency. The difference is caused by the spread of uneven linkage agencies; micro banking and cooperatives involved in linkage programs are relatively limited; socialization of linkage program not yet optimal; cooperation between implementing banks and linkage agencies is less than optimal; the linkage funding interest rate is relatively high; the administration of the linkage program is not easily fulfilled by MSMEs, the financial condition and performance of the linkage institution is relatively constant; linkage institution do not make government programs for channeling and executing model as a central part of activities; and channeling and executing model has no impact on key institutional financial elements.

Based on these conclusions, the recommendation is to increase the socialization of the linkage institution program; increasing linkage institution involvement in channeling model; improve the rules of the game between executing banks and linkage institutions; separation of program linkage credit and non linkage program performance; lower the linkage interest rate; linkage institution rating programs and

MSMEs; and build a comprehensive and integrated database of linkage and MSMEs institutions.

REFERENCES

1. Abubakar, A., Lawal, S., and Umar, U. (2016), "Credit as a Financing Option for Small and Medium Enterprises in Nigeria a Study of Kogi State", Journal of Business and Economic Management, Vol. 3 No. 2, pp. 13-16.

2. Ahiawodzi, A.K. and Thomas, C.A. (2012), "Access to Credit and Growth of Small and Medium Scale Enterprises in the Ho Municipality of Ghana", British Journal of Economics, Finance and Management Sciences, Vol. 6 No. 2, pp. 34-51.

3. Anne, W.G.J., Agnes, N., and Ondabu, I.T. (2014), "Challenges Facing Micro and Small Enterprises in Accessing Credit Facilities in KangemiHarambee Market in Nairobi City County Kenya", International Journal of Scientific and Research Publications, Vol. 4 No. 12, pp. 1-15.

4. Arogundade, K.K. (2010), "Effective Microfinance and SME: The True Story", Journal of Management and Society, Vol. 1 No. 2, pp. 51-54.

5. Atandi, F.G. and Timothy, B.W. (2013), "Effect of Credit on Micro and Small Enterprises Performance in Kitale Town", International Journal of Academic Research in Business and Social Sciences, Vol. 3 No. 9, 570-583.

6. Babajide, A. (2012), "Effects of Microfinance on Micro and Small Enterprises (MSEs) Growth in Nigeria", Asian Economic and Financial Review, Vol. 2 No. 3, pp. 463-477.

7. Bowen, M., Morara, M., and Mureithi, M. (2011), "Management of Business Challenges Among Small and Micro Enterprises in Nairobi-Kenya", Journal of Business and Management, Vol. 2 No. 1, pp. 16-31.

8. Chinonso, O.K. and Tang, Z. (2016), "The Influence of Entrepreneurial Characteristics Small and Medium-Sized Enterprises Accessibility to Debt Finance in Nigeria", International Journal of Managerial Studies and Research, Vol. 4 No. 10, pp. 83-92.

9. Fatoki, O.O. and Aardt, S. (2011), "Constraints to Credit Access by New SMEs in South Africa: a Supply-Side Analysis", African Journal of Business and Management, Vol. 5 No. 4, pp. 1413-1425.

10. Makhetha, L. and Polasi, S. (2015), "Problems and Prospects of SMES Loan Management: Case of Lesotho", International Journal of Recent Research in Interdisciplinary Sciences, Vol. 2 No. 1, pp. 24-31.

11. Mbiti, F.M., Elegwa, M., Joseph, M., and Dorothy, K. (2015), "The Influence of Access to Credit on Growth of Women-Owned Micro and Small Enterprises in Kitui County Kenya", Public Policy and Administration Review, Vol. 3 No. 1, pp. 61-70.

12. Mole, S.A. and Namusonge, G.S. (2016), "Factors Affecting Access to Credit By Small and Medium Enterprises: A Case of Kitale Town", The International Journal of Social Sciences and Humanities Invention, Vol. 3 No. 10, pp. 2904-2917.

13. Moruf, O. (2013), "Evaluation of the Nigerian Microfinance Banks Credit Administration on Small and Medium Scale Enterprises Operations", International Review of Management and Business Research, Vol. 2 No. 2, pp. 505-517.

14. Ndife and Chinelo, F. (2013), "The Impact of Micro Credit Institutions on the Development of Small and Medium Enterprises in Anambra State", Journal of Business and Management, Vol. 14 No. 5, pp. 75-81.

15. Olumuyiwa, O., Samuel, B., Jelili, S., and Olajide, A.T. (2014), "Can Microfinancing Improve Small and Medium Scale Enterprises in Lagos State, Nigeria", IOSR-Journal of Economics and Finance, Vol. 3 No. 3, pp. 49-56.

16. Osano, H.M. and Hilario, L. (2016), "Factors Influencing Access to Finance by SMEs in Mozambique: Case of SMEs in Maputo Central Business District", Journal of Innovation and Entrepreneurship, Vol. 5 No. 13, pp. 1-16.

17. Quaye, I. and Alfred, S. (2014), "Assessing Alternative Sources of Financing for Small & Medium Scale Enterprises in Ghana Case Study of Savings and Loans Companies (S&Ls) in The Greater Accra Region of Ghana" International Journal of Advancements in Research & Technology, Vol. 3 No. 7, pp. 123-136.

18. Rotich, I., Charles, L., and Japhet, K. (2015), "Effects of Microfinance Services on The Performance of Small and Medium Enterprises in Kenya", African Journal of Business Management, Vol. 9 No. 5, 206-211.

19. Tom, E.E., Basil, G., and Ufot, J.A. (2016), "An Appraisal of Nigeria's Micro, Small, and Medium Enterprises (MSMEs): Growth, Challenges and Prospects", British Journal of Marketing Studies, Vol. 4 No. 5, pp. 21-36.

20. Wahyudi, I. (2014), "Default Risk Analysis in Micro, Small and Medium Enterprises: Does Debt Overhang Theory Occur", Asian Academy of Management Journal of Accounting and Finance, Vol. 10 No. 1, pp. 95–131.

21. Zhao, H., Wenxu, W., and Xuehua, C. (2006), "What Factors Affect Small and Medium-sized Enterprise's Ability to Borrow from Bank: Evidence from Chengdu City, Capital of South-Western China's Sichuan Province", working paper, The Business Institute Berlin-Berlin School of Economics, Berlin, 5 August.