

ISSN 111-4898

INTERNATIONAL JOURNAL OF SOCIAL SCIENCES

Vol. 6, No. 1 JUNE (2007)

EDITOR

IMOH E. UKPONG
University of Uyo, Nigeria

ASSOCIATE EDITORS

Godwin Akpan, *Nigeria*
Graham Chapman, *UK*
Lenny Baer, *Ghana*
Ekanem Ekanem, *Nigeria*
Godwin Umoette, *Nigeria*
Ukpong S. Ukpong, *Nigeria*
Peter Essoh, *Nigeria*

Faculty of Social Sciences, University of Uyo, Nigeria.



Theory of Financing Micro Enterprises: The Nigeria Experience

Ishola Rufus Akintoye

*Department of Economics,
University of Ibadan, Nigeria
irakintoye@yahoo.com*

and

Oladejo Moruf Oladeinde

*Department of Accounting
Olabisi Onabanjo University
Ago-Iwoye, Nigeria
moolad02@yahoo.co.uk*

ABSTRACT - Microenterprises mostly carried on by microentrepreneurs, men and women who though do not lack potential but have limited access to facilities essentially finance, contributes significantly to economic growth, social stability and equity (Rubinstein, 1993). In this study, we discussed salient issues on micro-enterprises in developing countries including the major financial sector reforms especially in the Nigerian economy from 1976 till date, and reasons for their ineffectiveness which we hope will serve as a lesson to policy makers. We also examined micro financing and micro finance models which are suitable for developing economy such as the Grammen Bank, Esusu, linkage model, the donor model among others and bringing out the financing gaps which is a signal to the future of the micro finance programmes in developing economy. We discovered that there is significant room for improvement, within the current programmes using principles and strategies established in this paper, if serious issues of supervision by regulatory authorities can be properly addressed.

Keywords: Microenterprises, Micorfinance, Poverty, Microfinance Institutions, Policies, Training & Education.

INTRODUCTION

Micro-enterprise has been defined as businesses with about ten (10) employees with limited access to capital of just about \$1,000 located in the home or yards using simple technologies, labour intensive, obtains its raw materials locally and markets its products locally (<http://www.gdrc.org/iim/micro.htm>). This definition differs from country to country depending on the currency denomination and the state of the economy ((Rubinstein, 1993) Microfinance serves as a means to empower the poor, and provides a valuable tool to assist the economic development process (Daley-Harris Sam, 2002). It constitutes an innovative savings and credit delivery mechanism and continues to assume increasing importance because of its intrinsic potentials to enable poor and low income groups engage in profitable economic activities, generate employment, achieve improved income and eradicate poverty. However, official policies, less attractive small loans to traditional formal financial institutions because of their high transaction cost and lack of access to services such as marketing, training in basic business skills and technology transfer inhibits microenterprises growth. Consequently, the economic of micro enterprise make it a compelling anti-poverty strategy (Rubinstein, 1993). Majority of the rural people live in poverty although their environments is well endowed with both human and material resources. To these factors of production, capital (finance) must be added for entrepreneurs to eke out products for the creation of basic needs and wealth (Dinye, 2006). The emphasis on micro credit in this century is such that the Global conscience believes that if poverty is eradicated, the world would be a better place for all (Akanji, 2006).

The disadvantaged (poor and low income) groups who constitute more than three quarters of the world's population are recognized as potentially active economic agents and if their aggregate contribution is empowered, it would create a remarkable leap to global economic growth and development. (Aryeetey, 1992). Nigeria with a population of about 130 million has its own share of global poverty, unemployment, under employment, disease, and lack of basic amenities. It is rated low in major human development indices as results of past efforts were below expectation (Ekpenyong, 2006).

In spite of her vast population, abundant opportunities and potential for global greatness, Nigeria is still struggling to survive and in other to expedite its growth, the country's resources must be properly harnessed. However, the country is poised to invest more on programmes that would tackle the malaise of poverty an also improve the economic well being of its poor and rural people by leveraging on the increased awareness that the United Nations (UN) and other International bodies would create (Ajibefun & Daramola, 1988).

THEORETICAL FRAMEWORK

Jidenma(2007) opined that Microfinance is a big idea that is based on small change which was initially subject to much scepticism. Some researchers attribute the origin of microfinance to a village bank movement in Germany in 1864 that was successful in providing loans to rural farmers. Others consider modern microfinancing to have begun in the 1970's when community development banks started in places such as Chicago(ShoreBank) and Bangladesh(the Grammen Bank).

Microfinance mechanism works primarily by giving the poor people tiny loan for their small businesses without mandating the borrowers to provide collateral. At the birth of microfinance, the fact that poor people could be depended upon to pay back their loans at the due dates was a reality most financial institutions and private investors refused to imagine. Typically, the poor lacked good credit history simply because they never gained access to credit in the first place. Conditions of absolute poverty existing in most developing regions of the world meant that borrowers had no collateral with which to secure their loans and as such, the world's poor found themselves in a Catch-22; they lacked collateral to receive loans which resulted in poor credit history. This vicious cycle kept many people cut off from capital and trapped in poverty (Jidenma2007). However, since the birth of Microfinance Institutions (MFI's), they have weathered the storm of scepticism and created a new hope for the poor.

MICRO ENTERPRISES STUDIES IN DEVELOPING COUNTRIES

Many studies on micro enterprises finance indicates that commencement in most countries are primarily funded by informal financing such as loan from neighbours, relatives and friends (Hyuha, 1993). Hyuha et al (1993) noted that informal finance through friends and relations in Tanzania was a significant source of agricultural financing. In Africa, it has been established that the informal finance is more important than the formal finance. (Chipeta and Mkandawire, 1991) for Malawi; Aryeetey and Gockel (1991) for Ghana; and Hyuha et al (1993) for Tanzania. However, Aryeetey (1992) in Ghana and Soyibo (1994) in Nigeria have observed that informal finance is rarely used for the expansion of micro businesses, as informal credit institutions have limited resources to satisfy the credit needs of micro entrepreneurs (Napon and Huddlestone, 1993).

A brief description of the Micro Enterprises Sector in Africa

Private sector development varies greatly throughout Africa. SMES are flourishing in South Africa, Mauritius and North Africa, as a result of modern financial system and clean government policies in favour of private enterprises.

Senegal and Kenya have created conditions for private sector growth, but are still held back by inadequate financial system. In Nigeria, the SMEs (about 59% of formal manufacturing activity) are key to the economy, but insecurity, corruption and poor infrastructure prevent them from becoming objects of growth. (Kuffmann, 2005).

Africa's private sector consists mostly informal micro enterprises operating along side large firms. Most companies are small because of policy induced obstacles and a poor business environment that discourages investment, entering the formal economy and more broadly private sector activity. Between these large and small firms, SMEs are very scarce and constitute a "missing middle". Even in South Africa with its robust private sector, micro and very small enterprises provided more than 55% of all jobs, and 22% of GDP in 2003, while large firms accounted for 64% of GDP.

SMEs are weak in Africa because of small local markets, undeveloped regional integration, very difficult business conditions, which include cumbersome official procedures, weak legal enforcement and protection of property and creditors rights, inadequate financial systems and unattractive tax regimes etc. Poor transport and communication infrastructure contribute to limited access to input and output markets domestically, regionally and internationally. Many firms stay small and informal and use simple technology. Their size also protect them from legal proceedings (since they have few assets to seize in bankruptcy) and allow them to survive and adjust to uncertain business environments. Large firms have the means to overcome legal and financial obstacles since they have more negotiating power and often good contacts to help them survive amidst stiff competition and threats (Kuffmann 2005).

A REVIEW OF MICRO ENTERPRISES FINANCING POLICIES IN NIGERIA

The Okigbo Panel Report 1976, is the first comprehensive report which pinpoints significant recommendations on the financing of micro enterprises with the major objective of withdrawing Nigerian economy from the manipulations of the international forces which to date remain futile. Specifically, some of the policies set up are:

The Rural Banking Scheme 1977

Banks were authorized to set up branches in the rural areas in order to meet up with the needs of the rural dwellers and also lend certain proportion of the deposits collected in the rural areas to the rural dwellers. *The scheme failed as banks could not cope with the low income and savings habits among the rural people.* The Nigerian Agricultural and Cooperative Bank (NACB), National

Economic Reconstruction Fund (NERFUND), The Family Economic Advancement Programme (FEAP), The Nigerian Export-Import Bank (NEXIM), Nigerian Industrial Development Bank (NIDB), The National Directorate of Employment (NDE), The Community Banks, among other programmes meant to finance micro enterprises, all failed to make reasonable impact in ensuring that micro enterprises have access to credit.

However, the government in a bid to achieve the intended objectives merged the NACB and FEAP to form, the Nigerian Agricultural co-operative and Rural Development Bank Ltd (NACRDB), till date not much has been achieved.

The World Bank Assisted Scheme (1985)

SME (1985) operated by NBCI and SME II (1992) operated by the CBN were both initiated by the Government, in order to enhance access to credit by micro enterprises however, due to low capitalization, existence of frustrating bureaucratic practices among others, cripple the effectiveness of these schemes.

Central Bank of Nigeria Credit Guidelines to Deposit Money Banks

The banks were required by the CBN to allocate certain proportion of their credit portfolio to SMEs. The programmes attained only partial success because of the unwillingness of the banks to assume such credit risk. Soludo (2005) opined that an overview of the performance of the SME in Nigeria shows that past policies made limited impact on the micro enterprises sector. For instance, it is estimated that SME account for about 70 percent of the total industrial employment in Nigeria, but contributed only 10-15 percent of the total manufacturing output. He attributed the subsector constraints to include; Poor access to long term credit, adequate and inefficient infrastructure, overbearing bureaucracy and inefficient administration of the incentives that were designed to promote SME growth, multiplicity of taxes and levies, among others.

He further stressed “development finance institution such as NIDB, NBCI, NACB, NERFUND, FEAP, NEXIM, PBN as mentioned earlier, have all ceased to function for a number of reasons, including low capitalization, and poor management.

The National Poverty Eradication Programme (NAPEP)

This programme was created to provide financial services to SMEs in order to alleviate poverty. However, the impact of the programme like others is yet to be felt (Ekpenyong 2006).

Small and Medium Enterprises Investment Scheme (SMEEIS)

This scheme was launched in 1999 as a private sector initiative of the Bankers committee (consisting of the CBN and the deposit money banks) under the name

Small and Medium Industries Equity Investment Scheme (SMIEIS). The present name (SMEEIS) was adopted in 2005 in order to accommodate a broader scope of economic activities. According to Soludo (ibid) as at the end of June 2005, the fund had risen to N31.00 billion with a total investment of N10.3 billion representing only 33.2 percent of the total sum set aside.

The major policy objective of the scheme is to stimulate increased availability of capital to SMES while reducing their debt service burden and to help in the restructuring of the capital of SMEs to stimulate their revitalization and growth. Banks were to contribute 10 percent of their annual pre-tax profit towards the fund and to participate in the ownership of the business. The requirements have recently been reviewed for the funds to be given out as loans.

By March 3, 2006, 126 projects were reported to have been funded in the real sector at a cost of N6.007 billion (64.05%) of the fund. Only 37 projects went to SMEs at a cost of N1.67 billion.

The National Credit Guarantee Scheme

This is a form of insurance cover to the loans granted by the Banks to SMES up to a certain level of the amount of loan granted.

Recently the Federal Government of Nigeria guaranteed up to 6 percent of agricultural loans given to SMES by deposit money banks. The banks are to grant such loans at 14 per cent interest. This means that the SMES will pay 8 percent interest while the Federal Government pays the balance.

In Nigeria, the normal financing system provides services to only about 35 percent of the economically active population while the remaining 65 percent are excluded from access to financial services (CBN, 2006) and are served by the informal financial sector.

ON-GOING POLICY IN NIGERIA

The on-going microfinance policy, which seeks to develop a long-term sustainable microfinance sub-sector, has the following specific objectives:

- To regulate the activities of some of these institutions which have been operating outside the supervisory framework of the CBN.
- To recognize the existing informal institutions and bring them under the supervisory role of CBN.
- Expand the financial infrastructure of the country to meet the financial requirements of SMEs.
- Create a vibrant microfinance sub-sector that would be adequately integrated into the mainstream of the national financial system.
- Provide the stimulus for growth and development
- Harmonize operating standards and strategic platform for the evolution of microfinance institutions.

- Promote appropriate regulation, supervision and adoption of best practices.
- Create a platform for the establishment of microfinance banks.
- Improve the CBN's regulatory/supervision performance.
- Provide appropriate machinery for tracking the activities of development partners in the microfinance sub-sector in the country.

CHALLENGES POSED BY THE NEW MICROFINANCE POLICY

- To cover by 2020 the majority of the poor but economically active population and thereby create million of jobs and reduce poverty.
- Increase the share of micro-credit as a percentage of total credit to the economy from the 0.9 percent in 2005 to at least 20 percent in 2020, and the share of micro-credit as a percentage of GDP from 0.2 percent in 2005 to at least 5 percent in 2020.
- Promote the participation of at least two-thirds (2/3) of the states and local governments in micro credit financing by 2015.
- Eliminate gender disparity by improving women's access to financial services by 5 percent annually, and
- Increase the number of linkages among universal banks, development banks, specialized finance institutions and microfinance banks by 10 percent annually.

Meeting the challenges

In order to make the policy succeed, the following strategies have been developed from the objectives and targets:

- License and regulate the establishment of Microfinance Banks (MFBs); promote the establishment of NGO based microfinance institutions.
- Promote the participation of government in the microfinance industry by encouraging States and Local /governments to devote at least one percent (1%) of their annual budgets to micro credit initiatives administered through MFBs.
- Promote the establishment of institutions that support the development and growth of microfinance service providers and clients.
- Strengthen the regulating and supervisory framework of MFBs.
- Promote sound microfinance practice by advocating professionalism, transparency and good governance in microfinance institutions.
- Mobilize domestic savings and promote the banking culture among low income groups.
- Strengthen the capital base of the existing microfinance institutions; broaden the scope of activities of microfinance institutions.
- Strengthen the skills of regulators, operators, and beneficiaries of microfinance initiatives.

- Define clearly roles of **stakeholders** in the development of the microfinance sector, and collaborate with **donors**.
- Coordinate and monitor **donor** assistance in microfinance in line with the provisions of the policy.

MICROFINANCE MODELS

There are basically formal and informal models of micro credit to the target group. The most successful had been the informal model because several developing economies where poverty is high, some individuals, households and regions remain isolated from markets and from mechanisms for borrowing and lending or insuring against risk (Aryeetey, 1995).

The Informal Model

This model is built around group concept. The works in a situation where groups whose commitment to savings and credit are weak and look up to donor-sponsored credit. While this works better for group that voluntarily come together to form a revolving savings and credit association, it develops managerial problem where the groups are not cohesive and voluntary (Besley, Coate and Lounry 1993).

The Grammen Bank experience started with the group concept-informal lending to the poor. It was started to assist landless people in Bangladesh to obtain credit, which could not be obtained through the formal commercial banks credit facilities. The program was successful because the groups were cohesive (landless) and voluntarily formed. The program has since been linked to formal micro credit model. It operates using the modality of collective guarantees, close supervision and peer pressure from other members of the Grammen group. The model had been quite successful as a bank for the poor and as a social movement based on principles of awareness and training, which has facilitated active participation of poor.

As at 1999, the Grammen Bank had provided its services to about 1.5 million poor, unified about 60,000 small village banks in the linkage process and about \$480 million to its clients for small scale trade, construction, bankrupt funds or local production credit as well as for emergency funds.

Non Government Organization (NGO) approach is also grouped as informal model as it tends to adapt the Grammen principles and usually are gender specific and sectorially motivated. There are women groups, farmers union, trader union etc.

In Ghana and Gambia, the most successful micro credit programs are women finance association. The programs were reported to have had high rate of

repayment. In the Gambia experience, the program rewarded depositors at above-market rate of interest which was 20-50 per cent in 1999. Although, the Ghana and Gambian programmers operate as an informal credit model, the quality of service could be compared to the financial market.

Esusu: Esusu is a revolving loan scheme in Nigeria and entrenched in most West African countries operating as an informal micro-credit programme. The group formed to operate the revolving schemes are voluntarily. Members make fixed contributions from all. Every member takes a turn until the cycle is completed, and then it starts again. For people who take their turn late, Esusu functions as a savings mechanism. The Esusus are very strong program that have assisted the target group to alleviate poverty, particularly among market women in rural/urban markets. East Esusu's group has a recognized leader and Esusus are often used as a model by NGO's trying to establish micro-finance programme in urban setting. (Akanji, 2006).

- **The Formal Model**

The formal micro-finance model is built around formal financial institutions such as the commercial banks, rural/village/community bank etc. Most of the formal institutions that supply credit to the poor had not been successful. The reasons adduced for their failure had been limited knowledge of the poor and no closer relationship between the formal institutions and the informal institution. The Grammen experience is an example of that model that have been able to transform from informal to formal model of supplying micro-credit to finance micro enterprises. The credit need of the poor has been found to and also the reoccurring problem of no collateral.

This is the reason why commercial banks and development banks could not really supply micro-credit and could not be used as the second best to informal lending. The case of Nigerian Agricultural and Cooperative Bank, Nigerian Industrial Development Bank, were quite recent, and confirmed the enormous problems of using the formal model as a strategy to alleviate poverty.

- **The Linkage Model**

The framework for linking informal savings collectors to the formal institutions formed the basis of the breakthrough discussed earlier. In view of the banks' readiness to acquire more information about the Informal Sector and making serious efforts at strengthening group schemes encouraged the successful turnaround of micro-credit programs. An example is the recent merger of the Nigerian Agricultural and Cooperative Bank (NACB), Peoples Bank of Nigeria and Family Economic Advancement Program (FEAP) to form Nigerian Agricultural Cooperative and

Rural Development Bank (NACRDB). Also the current Bankers Committee initiative which is supported by the CBN, for banks to set aside 10% of their profit before tax for equity investment in small scale industries will be tangential to alleviating poverty through the lending window or through joint ventures.

In Ghana, the framework for linking informal savings collector to the largest commercial bank was done by the collectors forming a registered association with which the bank deals. This linkage has led to an increase in the proportion of Esusu, deposits in the Ghana model rose from 9 per cent to 60 percent in the two years of operations. The scheme was based on observation that increased lending by collectors often led to larger number of depositors.

The linkage that has been made with the new institution NACRDB should be enhanced by designing policy to overcome the observed obstacles such as distrust, inadequate knowledge about informal agents and prejudice, all of which create a risky environment for formal banks linking up with informal micro-credit activities.

- **Donors model**

Donors have played a very strong role in the micro-credit program, particularly international donors such as UNDP, through the NGOs. The alternative micro-credit delivery model proposed by Union Gabriel and Itoro O. Ibanga (1977) called "The Ekpuk (family) model" worked perfectly well within an extended family structure, particularly proven successful in some villages in Akwa Ibom State. However, this system of credit delivery need to be encouraged to work through formal credit institutions as much as possible, such as the community banks and NACRDB. It will help to support the development of strong non-bank financial institutions with less risk of default.

MICRO ENTERPRISES FINANCING GAPS: A RECENT DEVELOPMENT

Financing gaps simply refer to the inability of sizeable share of economically significant micro enterprises to obtain finance from banks, capital markets, or other suppliers of finance. In the course of putting necessary policies and financial system reforms in place to cater for the long awaited survival of micro enterprises, and with the failures that have characterized most of these policies and reforms, recent studies have pointed at financing gaps as issues that must be adequately tackled in order to bring about a global improved era of micro enterprises.

In some countries, there is a general problem of financing gaps in micro enterprises due to structural weaknesses in the financing system. This may reflect a fundamental malfunctioning of the financing system.

In particular, there may be many micro-enterprise that typically do not obtain finance from the formal banking system which is geared to providing credit to

larger enterprises or to the public sector. In such situations, the micro enterprises sector often relies on internal Cash flow or on credits from informal sources. This situation is usually common in developing economies. As such, rather than acting as a source of dynamism and introducing innovative technique as in many leading economies, the micro enterprises sector tends to operate at the tail end of the formal economy. This is an issue that must be addressed. While being able to support low productivity or subsistence activities hence the ability to realize full potential to provide attractive economic activities becomes an headache for micro enterprises.

In many countries, micro enterprises have generally not shown dynamic growth, and rates of enterprise formation tend to be low, on the other hand, micro enterprises may have adequate access to credit based finance, but reliance on equity is limited. This situation may reflect economic characteristics that encourage debt financing while discouraging, the use of capital markets, such systems are rampant in continental Europe. However, reliance on banks do not have assassinating effect on economic performance nor does greater dependence on equity give better results. In this situation, a mix of reforms in the overall economic environment and in the programmes for SMES finance will be needed.

In other countries, however, micro enterprises may account for large share of activity and the level of income in micro enterprises may be similar to that of larger companies through given the aggregate satisfying performance of most micro enterprises, a country may lack dynamic micro enterprises, especially in high technology sectors that are able to enhance competitiveness and also assist in the development of cutting-edge technologies. In such cases, there is need to develop policies to introduce broad reforms in the financial sector or objective policies targeted at developing high-growth micro enterprises.

Conclusively, a small proportion of countries have very positive records in achieving growth in developing techniques that support the emergence of micro enterprises with high growth potential and those in high technology sectors. The experience of the few countries in this category can assist other countries in designing more effective policies. Furthermore, countries at the cutting-edge must from time to time review their own practices. (OECD, 2006).

CONCLUSION AND RECOMMENDATION

In this study, we discussed salient issues such as micro-enterprises in developing countries, the major financial sector reforms in the Nigerian economy from 1976 till date, and reasons for their ineffectiveness which we hope will transform the current reforms and policies if adequately considered and monitored to fruition.

We also examined micro finance models which are suitable for the Nigerian environment. They include: the Grammen Bank, Linkage model, the Donor model, among others. The climax of our discussion is the financing Gaps which is a recent development in the micro-enterprises sectors of the economy. Looking ahead to the future of the micro finance programmes in Nigeria, several conclusions could be drawn. To start with, there is significant room for improvement, within the current programmes using principles and strategies established in this paper, additionally we discover that micro finance could also be run by other financial institutions inspite of the linked merger of NACRDB, however serious issues of supervision must be put in place and discussed as appropriate, with the financial sector regulatory authorities .We hereby recommend the following in addition to the points established in this paper inorder to bridge the financing gaps considered in our study :

- An appropriate mix of information and skills needed to access external finance, by micro-finance entrepreneurs and operators.
- Government limited but well focused role in promoting micro enterprises finance, by stimulating micro-enterprises growth and monitoring the current policies and reforms which will enable round pegs in round holes.
- Availability of an appropriate mix of financial instruments.

Conclusively, we observed that adequate training programmes on the part of Government , Stakeholders and micro finance institutions for/to micro-enterprises as pre and post-credit condition have not only gone a long in promoting the survival of micro-enterprises in developing economies, it has also helped to prove that micro-enterprises are reliable tools for fighting poverty provided they are adequately managed. We therefore advise that the Nigerian Government, stakeholders and micro finance institutions should give training programmes a more serious consideration. Education is necessary for all players in any focused economy.

REFERENCES

- Ajibefun, I.A and Daramola G. (1999) "Efficiency of Micro-enterprises in the Nigerian Economy". Final Report ,AERC Workshop ,Kenya.
- Akanji,O.O. (2006) "Micro Finance as a Strategy for Poverty Reduction ".*CBN Economic and Financial Review*, Vol. 39,No. 4.
- Aryeetey ,E.,(1992) "The Relationship between Formal and Informal Segments of the Financial Sector in Ghana". AERC Research Paper No. 10.African Economic Research Consortium.
- Atieno, R.,(1998)"Credit Rationing and Access to Credit : A Study of Formal and Informal Credit Institutions in Kenya." *African Journal of Economic Policy*. Vol.5, No 2.
- Chittenden F ,Hall G and Hutchinson P.(1996) " Small firm Growth, Access to Capital Markets and Financial Structure :Review of issues and an empirical Investigation ".*Small Business Economics*, 8.
- Cook, P. (1996) "The Impact of Structural Adjustment on Small and Medium Scale Enterprises in Developing Countries". Report for UNCTAD, Geneva.
- Ekpenyong (2006) "The Nigerian Financial Sector Reforms and Micro, Small, and Medium Enterprises (MSMES) Finance". *Nigerian Financial Review*, Lagos.
- Jidenma Nmachi(2007) "Micro-Lending for Macro Results: Microfinance, Microenterprise, and the End of Poverty". Business Today.
- Levy, B (1993) "Obstacles to Developing Indigenous Small and Medium Enterprises: An Empirical Assessment ".*The World Bank Economics Review* 7(1).
- Liedholm, C., Macpherson, M. and Chuta E.(1994) 'Small Enterprises Employment Growth in Rural Africa.' *America Journal of Agricultural Economics*, Vol. 76

- Peel, M. and Wilson, N. (1996) "Working Capital and Financing Management Practices in the Small form Sector". *International Small Business Journal*, Vol. 14
- Ray, G.H., and P.J. Hutchinson,(1983) 'The Financing and Control of Small Enterprises and Development .Glover Publication Company of England.
- Sowa, N.K.,et al., (1992) "Small Scale Enterprises and Adjustment : The Impact of Ghana's Economic Recovery Programme". University of Ghana, Legon.
- Soyibo, A. (1994) "Financial Linkage and Development in Sub-Saharan Africa: A Study of Informal Finance in Nigeria" .ODI, London.
- Steel, W. (1994) 'Changing the Institutional and Policy Environment for Small Enterprises Development in Africa." *Small Enterprises Development*.5 (2).