ILORIN JOURNAL OF FINANCE

Financial Inclusion and Small and Medium Enterprises Performance in Nigeria

I. B. Abdullahi, Ph.D.
(Corresponding author)
Department of Finance, University of Ilorin, Ilorin, Nigeria
E-mail: Ibrahimabdul 2008@yahoo.com
Phone Number: +2348033147081; +2348112957714

and

S. K. Fakunmoju
Department of Finance, University of Ilorin, Ilorin, Nigeria
k.fakunmoju@gmail.com; +2347066063616

Abstract

Inclusive financial arrangement is becoming a global economies policy as it has been perceived as a measure for improvement in Small and Medium Enterprises (SMEs) output performance. Financial exclusion of SMEs investors had led to fall in SMEs output rate and continuous collapsed of SMEs. This study examines the effect of financial inclusion on SMEs performance in Nigeria. Data were subjected to Ordinary Least Squares technique. The results revealed that bank branches and money supply to circulation have positive and significantly affect SMEs performance while bank lending rate, bank liquidity ratio and loan to SMEs investors have positive but insignificant at 5% level of significance. The study concludes that there is high propensity for SMEs output growth rate to increase if all the financial inclusion policies are well implemented by the Nigeria monetary authorities. The study therefore recommends that Nigeria government should put in place appropriate financial inclusion policies that enable SMEs easy access to loan facilities at reduce cost and government should stand as a grantor to the facility.

Keywords: Financial Inclusion, SMEs Output, Performance and Nigeria Economy.
JEL Classifications: G29, L29

1. Introduction

In accounting for overall economic activities in different countries of the world, Small and Medium Enterprises (SMEs) contribute larger percent and it serves as a determinant of economic output of developing, emerging and developed economies. In Nigeria various governments' policies, development organization and agencies have focused on the promotion and campaign of SMEs as a measure of enhancing broader participation in the private sector. The SMEs sector accounts for 60-70 percent of employment in most developed and emerging countries, and several countries in Africa have prioritized their investment in SMEs due to economic performance achieved from SMEs output growth rate to gross domestic product in developed and emerging countries (Abiodun, 2014; Iddris, 2012; Kushnir, 2010).

The growth rate performance of SMEs output is a key driver and indicators for the level of

industrialization, modernization, urbanization, employment generation, income per capital, equitable distribution of income, and standard of living by the citizenry (Abiodun, 2014; Aremu & Adeyemi, 2011). Several studies established that performance of SMEs sectors are associated and significantly determine by effective access to financial resources, infrastructural facilities and friendly government policies (Abiodun, 2014; Altenburg & Eckhardt 2006; Babajide, Adegboye & Omankhanlen, 2015; Wiklund & Shephered, 2005). Considering the vital role of financial resources to SMEs output performance, Central Bank of Nigeria (CBN) in the early 2000s came up with SMEs financial inclusion programme emanating from the findings that increase in poor economic activities, fall in SMEs output and collapsed of SMEs is direct outcome of financial exclusion of most SMEs investors in Nigeria (Babajide, Adegboye & Omankhanlen, 2015; SMEDAN, 2013). Financial inclusion is one of the Central Bank of Nigeria (CBN) driver policy to improve inclusion of SMEs investors in urban and rural segments into Nigeria economic activities. The CBN and other Nigeria financial system stakeholders had implemented National Financial Inclusion Strategy (NFIS) to reduce the number of Nigerian SMEs investors that are excluded from financial services (CBN, 2012). As observed by Okafor (2012) and Babajide, Adegboye and Omankhanlen (2015) that financial inclusion speed up the flow of credit to small scale enterprises, sustained small scale enterprises growth and economic output, enhance income generation to rural segment and employment generation in any economy of the world.

Despite the SMEs financial inclusion programmes in Nigeria, there has been gross under performance of the SMEs sector resulted from poor access to financial resources from the financial institutions and this has undermined its contribution to economic output and growth. Among issues negatively affecting SMEs sector in Nigeria, poor funding is one of the key problem that affected SMEs output performance (Babajide, Adegboye & Omankhanlen, 2015; Okafor, 2012; SME Sector Report, 2007).

Deposit money banks which serve as the biggest source of financial resources to SMEs have in most cases denied SMEs because of the perceived risks and uncertainties of the SMEs sectors. In Nigeria, the fragile economic environment and absence of infrastructural facilities have rendered SMEs practice costly, more risky and inefficient, thereby worsening their credit competitiveness and access to financial resources which in turn reduced their economic output (CBN, 2012; Idowu, 2010; Abiodun, 2014). As supported by Abiodun (2014), Nwankwo and Nwankwo (2014) and Idowu (2010) that most SMEs failed due to lack appropriate financing, poor creditworthiness and management capacity, so they have trouble securing funds for their business activities. This indicates that financial inclusion programme could not reduce poor access of financial resources by SMEs in Nigeria due to denied from banks base on perceived risks and uncertainties of the SMEs sectors, this in turn reduced SMEs output contribution to economic output in Nigeria.

Mbutor and Uba (2013) revealed that credit penetration as an index of financial inclusion is worse in Nigeria

compared to other developing countries. They further revealed that only 2% have access to formal financial services which is very far cry from 32% in South Africa. Comparatively, Nigeria has a formal payments penetration of 21.6 per cent that is lower than the level of 46% in both South Africa and Kenya and also in terms of access to savings products, Nigeria has 461 savings accounts per 1000 and this poorly compares with 2,063 savings accounts per 1000 in Malaysia (Mbutor & Uba, 2013). These problems of large population of financially excluded segment, poor credit penetration and formal payment penetration denied the accessibility of financial resources by SMEs investors. This poor access to financial resources undermined SMEs output to economic activities and leads to non-sustainability of SMEs output growth in Nigeria. This indicate that the World Bank (2015) record of GDP growth rates of 7.8% (2010), 7.4% (2011), 7.5% (2012), 7.6% (2013), 6.3% (2014) and 2.7% (2015) were majorly from oil sector while other productive sectors and SMEs industries contribute very petite to the Nigerian economic activities and growth. This indicates that SMEs output sustainability cannot be attain in Nigeria, if local SMEs industries were not totally included in the financial inclusion programmes and properly financed.

Nwankwo and Nwankwo (2014) revealed that sustainable financial inclusion to rural SMEs investors in Nigeria remains the way out for economic growth and that SMEs growth sustainability cannot be accomplish without proper implementation of SMEs financial inclusion in Nigeria. Chibba (2009) asserted that formal financial system has been predicted as a pre-condition to achieve economic activities,

growth and poverty mitigation and also supported by Sanusi (2010) that Nigerian economic activities would have experienced a faster growth rate, if all the SMEs sectors are financially included and properly financed.

Migap, Okwanya and Ojeka (2015) noted that inclusive growth in Nigeria can only be achieved when all the weaker sectors of the economy, including agriculture, productive sector, financial sector and small scale industries are nurtured, well regulated, supportive and brought on par with other sectors. As noted by Khan (2011) that for a nation to achieve inclusion of SMEs investors in the economic activities, financial inclusion programme should be a compulsory policies and strategies that must be accepted, adopted and implemented by various stakeholders in the financial systems.

Although past studies have focused on the effect financial inclusion on economic growth, monetary policy, financial stability of the SMEs investors and sustainability of rural dwellers in Nigeria (Akinlo & Egbetunde, 2010; Babajide, Adegboyega & Omankhanlen, 2015; Egbetunde, 2012; Goodland, Onumah & Amadi, 2012; Hariharan and Marktanner, 2012; Khan, 2011; Martinez, 2011; Mbotor & Uba, 2013; Migap, Okwanya & Ojeka (2015); Nwankwo & Nwankwo, 2014; Okafor, 2012; Onaolapo, 2015; Samson & Udeaja, 2010; Yaron, Benjamin & Piprek, 2013 and among others, but no study have established the effect of financial inclusion on SMEs output performance in Nigeria between the period of 1970 and 2015. This gap motivates this study to examine the effect of financial inclusion on SMEs performance in Nigeria.

54

2. Theoretical Framework

The theories underpinning this study are:

i. SMEs Classical Theory

The classical theories on small and medium-sized enterprises development predicts that advantages of SMEs will diminish over time and large enterprises will eventually dominate in the course of economic development marked by the increase in income. The classical theories are backed by Anderson (1982), Hoselitz (1959), Stanley and Morse (1965) and others. They advocate that the necessary support such as financial resources, infrastructural facilities, friendly business policies by government etc should be used to develop and increase large enterprises output performance which has a brighter future to contribute to economic growth and activities compared to small and medium enterprises.

ii. SMEs Modern Theory

On the other hand, the modern theories emphasize the importance of small and medium-sized enterprises output to economic growth and development through availability of financial resources and infrastructural facilities by the government support. This is supported by the studies of Berry and Mazumdar (1991) and Levy (1991) in the newly industrializing countries. The modern theories emphasize the importance of subcontracting networks and the economic benefits of agglomeration and clustering for the development of SMEs output. According to the modern theories, SMEs play important roles simultaneously to; (i) accelerate economic growth through the growth of their output contributions to gross domestic product (GDP); (ii) reduce poverty through employment creation and income generation effects of their generated output growth. In addition to these direct effects, SMEs have also indirect effects on economic growth and poverty reduction through their growth linkage effects. Output and employment increases in MSME lead output and employment to increase in the rest of the economy through three main linkages: production (forward and backward). investment, and consumption.

There has been a pro and contra argument on these theories. The pro-SMEs do not support the classical theories. They argue that SMEs enhance competition and entrepreneurship and thus have economy wide benefits in efficiency, innovation and productivity growth. They also argue that given the necessary financial and infrastructures support from government and other support agencies, full potential of SMEs output performance can be achieved to serve as engines of economic growth and development.

3. Methodology

This study adapted Mbutor and Uba (2013) model that financial inclusion affects monetary policy in Nigeria. Hence, the model is:

$$INF = F (BBRANCH, LAC, LERATE, EXR, RDL) \text{ ----------------------- Eqn 1}$$

Where: INF = Inflation Rate; BBRANCH= Bank Branches; LAC = Total Number of Loans and Advances of Commercial Banks; LERATE = Lending Rate; EXR= Foreign Exchange Rate; RDL= Rural Bank Branches of Deposits and Loans.

This study re-modified Mbutor and Uba (2013) model to suit objective of this study that financial inclusion affect SMEs performance in Nigeria. The re-modified econometric model specified below:

$$SMEOUT_t =$$
$$\beta_0 + \beta_1 BBRANCH_t + \beta_2 SMELOAN_t + \beta_3 CPI + \beta_4 (FD1)_t + \beta_5 (LERATE)_t + \beta_6 (LQRT)_t + \mu_t$$

Eqn 2

Where: SMEOUT = SMEs Output rate proxy as SMEs performance; FD1 = Financial Depth i.e Ratio of Broad Money to GDP (M2/GDP); LERATE = Bank Lending Rate; LQRT = Commercial Bank Liquidity Ratio; BBRANCH= Bank Branches of Deposit Money Banks; SMELOAN = Deposit Money Bank Loan to SMEs Investors and CPI = Consumer Price Index.

Aprior   expectations   are:
$\beta_1 > 0, \beta_2 > 0, \beta_3 < 0, \beta_4 > 0, \beta_5 > 0, \beta_6 > 0.$

The study is ex-post facto design in nature and used secondary data. The data were sourced from the Central Bank of Nigeria (CBN) Statistical Bulletin, World Development Indicators (WDI) and National Bureau of Statistics (NBS) between the periods of 1970 and 2015. In order for Y_t (Dependent variable) and X_t (Independent variables) to be co-integrated, the necessary condition is that the estimated residuals from Eq. (2) should be stationary (i.e. $u_t \sim I(0)$).

The study employed Error Correction Model (ECM) due to stationarity of error term (U_t) of the variables in the regression model at level or I(0). This indicates that the variables in the regression model have long run relationship and there speed of adjustment from disequilibrium in the long run relationship will be determine by ECM. The series of the variables were subjected to unit root test and all the variables were stationary at first difference or I(1). The time series data were subjected to unit root tests, Error Correction model approach and a number of diagnostic tests were conducted.

4. Analysis and Interpretation of the Study

It had been shown in literatures (Engle and Granger, 1987) that most macroeconomic time series are not stationary at level. This implies that most ordinary least squares (OLS) regressions that are carried out without stationarity test may not be reliable. In this study all variables went through the ADF and PP unit root tests. The results are presented in Table 4.1.

Table 4.1   Augmented Dickey Fuller Test for Unit Root Phillip Perron Test for Unit Root

Variables	Test Statistic	1% Critical Value	5% Critical Value	10% Critical Value	Order	Test Statistic	1% Critical Value	5% Critical Value	10% Critical Value	Order
SMEOUT	4.986	4.253	3.548	3.207	I(1)	4.791	4.253	3.548	3.207	I(1)
BBRANCH	4.932	4.253	3.548	3.207	I(1)	4.581	4.253	3.548	3.207	I(1)
SMELOAN	4.532	4.253	3.548	3.207	I(1)	5.798	4.253	3.548	3.207	I(1)
CPI	3.840	4.253	3.548	3.207	I(1)	3.736	4.253	3.548	3.207	I(1)
FD1	5.883	4.253	3.548	3.207	I(1)	11.075	4.253	3.548	3.207	I(1)
LERATE	5.244	4.253	3.548	3.207	I(1)	5.230	4.253	3.548	3.207	I(1)
LQRT	3.576	4.253	3.548	3.207	I(1)	3.641	4.253	3.548	3.207	I(1)

Authors Computation (2016)

Table 4.2: Residual (U_t) stationarity test for the model
Null Hypothesis: RESID has a unit root

		t-Statistic
Augmented Dickey-Fuller test statistic		-4.268391
Test critical values:	1% level	-4.175640
	5% level	-3.513075
	10% level	-3.186854

*MacKinnon (1996) one-sided p-values.

The residual stationarity test in Table 4.2 used to determine whether the regression model output of this study is spurious or not. Since the error term or residual of the variables in the regression model is stationary at level, this signifies that there is long run relationship (co-integration) equilibrium between all the variables in the regression model at 5% critical value. Therefore null hypothesis that error term of the regression model has unit root is rejected. When variables are co-integrated or have long run equilibrium, we can run error correction model to determine the speed of adjustment when there is disequilibrium in the model.

Table 4.3: ECM Regression Output

Dependent Variable: D(SMEOUT)				
Method: Least Squares				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.094249	0.327797	0.287524	0.7752
D(BBRANCH)	0.045567	0.001013	3.559503	0.0390
D(SMELOAN)	0.549076	0.000371	4.016065	0.2159
D(CPI)	-0.002198	0.019467	-0.739609	0.4640
D(FD1)	0.362341	0.040360	1.901878	0.0646
D(LERATE)	0.053256	0.001268	2.491883	0.1438
D(LQRT)	0.003278	0.033229	0.098663	0.9219
ECM(-1)	-0.063219	0.019091	-4.175743	0.0320
R-squared	0.420561			
Adjusted R-squared	0.411368			
F-statistic	9.278339	Durbin-Watson stat		1.734302
Prob(F-statistic)	0.005415			

Source: Authors Computation (2016)

The term error-correction term account for the last-periods deviation from a long-run equilibrium, the *error*, influences its short-run dynamics. Thus ECMs directly account for the speed at which a dependent variable returns to equilibrium after a change or disequilibrium in other variables. The ECM indicates the

correction of disequilibrium in the system i.e the speed at which the ECM is correcting the disequilibrium of the variables in the model is 6% and it is significant at 5% level of significance. The coefficient of the error-correction term of about -0.06 suggests that about 6% of the discrepancy between long-term and short-term SMEOUT is corrected within a year, suggesting a slow rate of adjustment to equilibrium.

The ECM regression out result is in line with the study *aprior expectations* that BBRANCH and FD1 have positive and significant effect on SMEs output performance while SMELOAN, CPI, LERATE and LQRT have positive effect but do not significantly affect SMEs output performance in Nigeria.

This result indicates that extension of bank branches and increase in money supply in the circulation significantly affect SMEs output growth rate while extension of financial services to SMEs investors in both rural and urban segments and credit supply to private sectors have not significantly increase SMEs output growth, this is due to poor appropriation of financial services and SMEs financial inclusion policies toward SMEs in Nigeria. This result is conforms to Micheal (2016) and Nwankwo and Nwankwo (2014) argument that any economy that experience inadequate financial inclusion policies or non-financial service extension in the SMEs sectors such economy may not achieve economic growth. Joseph and Varghese (2014) also established that mobilization and circulation of finance is the key requirement of economic growth and achieving inclusive growth makes financial inclusion a requirement policy concern for a developing nation like India.

Table 4.5: Diagnostic Test

Breusch-Godfrey Serial Correlation LM Test				
F-statistic	2.083525	Prob. F(2,37)		0.1389
Obs*R-squared	4.656256	Prob. Chi-Square(2)		0.1975
Ramsey RESET Test				
t-statistic	0.511799	Prob. F(1,38)		0.2164
F-statistic	1.309135	Prob. F(1,38)		0.5164
Likelihood ratio	0.06581	Prob. F(1,38)		0.8079
Multicollinearity Test		Coefficient Variance	Uncentered VIF	Centered VIF
Variance Inflation Factors				
C		0.107451	1.572227	NA
D(BBRANCH)		1.03E-04	1.681	1.629
D(SMELOAN)		1.37E-07	1.210	1.842
D(CPI)		0.000379	1.179	1.418
D(FD1)		0.019701	3.155	4.169
D(LERATE)		0.210872	4.298	4.854
D(LQRT)		0.256104	1.265	1.162
Chow Breakpoint Test: 2005 Bank Consolidation				
F-statistic		8.582041	Prob. F(7,32)	0.0187
Log likelihood ratio		5.628978	Prob. Chi-Square(7)	0.0302
Wald Statistic		5.063781	Prob. Chi-Square(7)	0.0376
			Probability	
Chow Forecast Test				
F-statistic		7.621732	0.0329	
Likelihood ratio		18.48930	0.019	

Source: Authors Computation (2016)

The Breusch-Godfrey serial correlation test revealed that we do not reject the null hypothesis of *no serial correlation* at 5% level of significance, and also for the Ramsey Test (Regression Specification Error Test (RESET) indicates that there is no apparent of non-linearity in the regression equation and it would be concluded that the linear model is appropriate. The multicollinearity test from Table 4.5 reveals that multicollinearity problem does not exist, since all the center VIF of the explanatory variables is not up to 10.

The change in Nigeria banking system policy by CBN as at 2005 of bank consolidation/ merging of banks significantly affect Nigeria banking system and economic activities as a whole. The structural break Chow Breakpoint Test indicates that bank consolidation in 2005 significantly improve Nigeria banks financial extension service to SMEs investors which in turn improve economic activities since the P<5% level of significance. Therefore the null hypothesis that there is no structural break policy is rejected as the P<5% significant level. This indicates that bank consolidation in Nigeria increased bank branches and make the bank stronger. The Chow Forecast Test also support the structural break Chow Breakpoint Test that bank consolidation in Nigeria has significant future effect on economic activities since the P<5% level of significance.

Stability Tests

The stability of the long-run parameters together with the speed of

adjustment for the equations was examined. For the stability test, the study relied on cumulative sum (CUSUM) and cumulative sum squares (CUSUMSQ) tests proposed by Borensztein, De-Gregorio and Lee (1998). This same procedure has been utilized by Pesaran and Pesaran (1997) and Suleiman (2005) to test the stability of the long-run coefficients.
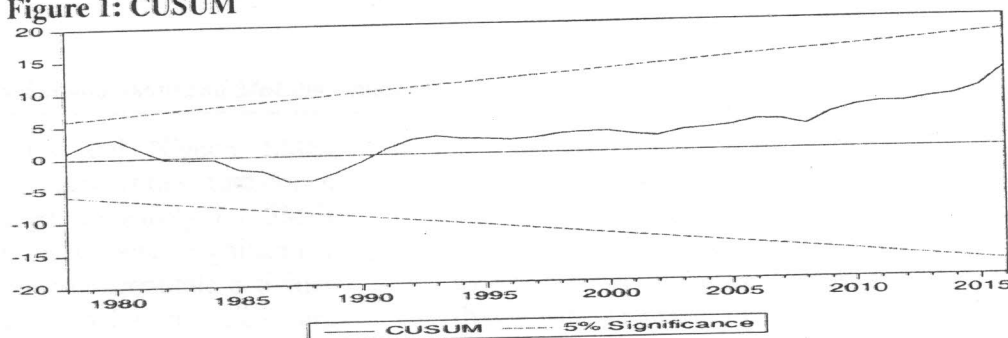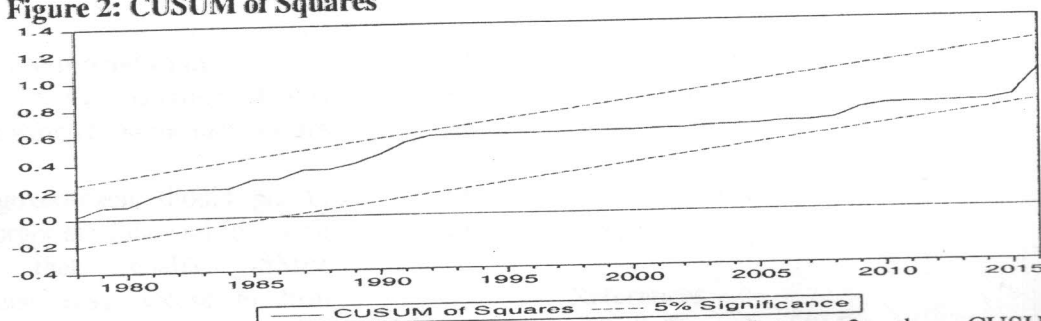
Figure 1: CUSUM

Figure 2: CUSUM of Squares

Figures 1 shows the CUSUM test which is based on the cumulative sum of the equation errors in regression and also CUSUM of squares statistics is similarly calculated and interpreted as CUSUM test, with the difference that instead recursive errors we use recursive doubled errors. It can be seen from Figure 1 that equation parameters are considered stable since the whole sum of recursive errors are inside the two critical lines i.e within critical 5% bounds that confirm the long-run relationships among variables and thus show the stability of coefficient.

For figure 2 the CUSUM SQUARE statistics stay within the critical 5% bounds that confirm the long-run relationships among variables and thus show the stability of coefficient. This indicates that for the analyzed equation, according to this test, the values of the equation are stable.

5. Conclusion and Recommendation
5.1 Conclusion

Based on the findings, this study revealed that financial inclusion policies have positive effect on SMEs output growth rate in Nigeria and there is long run relationship between financial

inclusion policies and Nigeria SMEs output. The conclusion is therefore drawn that there is high propensity for SMEs output to increase and significantly contribute to Nigeria economic activities if all the financial inclusion policies are well put in place by the monetary authorities.

5.2 Policy Recommendations

Based on the outcome of this study, the following recommendations are suggested:

i. Nigeria government should put in place appropriate financial inclusion policies that enable SMEs entrepreneur easy access to loan facility at reduce cost and also government should stand as a grantor to the facility, as this will be affordable by both rural and urban investors, so that most SMEs investors can access loans at cheaper rate; and this will increase SMEs output performance in Nigeria.

ii. Governments and monetary authorities should put in place attractive programmes and schemes like National School Entrepreneurship System (N-SEP), Building Entrepreneurs Today Programme (BET), Entrepreneurship Development Training (EDT), Rural Vocational Training (RVT), *Enterprise Support Services (ESS)* etc in the manufacturing and agricultural SMEs industries by *Small and Medium Enterprises Development Agency of Nigeria* (SMEDAN) in order to increase their business knowledge and consistent interactive workshops with SMEs *investors on likely problems and* possible solution to the problems.

iii. The management of deposit money banks should extend deposit money bank branches and financial services to rural areas and also introduce mobile banking in the rural areas; as these will increase the level of financial inclusion in the rural areas and their participation in economic activities.

iv. The government should try to improve on infrastructural facilities needed such as power, energy, road system, telecommunication etc in order to attract foreign SMEs investors in Nigeria.

References

Abiodun, E. A. (2014). The role of SMEs firm performance in Nigeria. *Arabian Journal of Business and Management Review (OMAN Chapter), 3(12), 33-47.*

Akinlo, A. E., & Egbetunde, T. (2010). Financial sector development and economic growth: The experience of 10 Sub-Saharan African countries revisited. *The Review of Finance and Banking, 2(1),17-28.*

Anderson, D. (1982). Small-scale industry in developing countries: A discussion of the issues. *World Development, 10* (11).

Aremu, M. A., & Adeyemi, S. L. (2011). Small and Medium Scale *Enterprise as a strategy for* employment generation in Nigeria. *Journal of sustainable Development,* 4(1), 23-35.

Altenburg, T., & Eckhardt, U. (2006). Productivity enhancement and equitable development: Challenges for SME development. Retrieved fromhttp://www.unido.org/filead

min/import/59567_06COMPID_0 591423_Ebook.pdf

Babajide, A. A., Adegboyega, F. B., & Omankhanlen, A. E. (2015). Financial inclusion and economic growth in Nigeria. *International Journal of Economics and Financial Issues, 5*(3), 629-637.

Berry, A., & Mazumdar D. (1991). Small-scale industry in the Asian-pacific region. *Asia-Pacific Economic Literature, 5*(2), 35-67.

Central Bank of Nigeria (2012). Annual report on financial inclusion in Nigeria.

Chibba, M. (2009). Financial inclusion, poverty reduction and the millennium development goals. *European Journal of Development Research, 6*(8),213-230.

Egbetunde, T. (2012). Bank credits and rural development in Nigeria (1982-2009). *International Journal of Finance and Accounting, 1*(3),45-52.

Engle, R. F., & Granger, C. W. J. (1987). Co-integration and error correction: Representation, estimation, and testing. *Econometrica,* 55, 251–276.

Enhancing Financial Innovation and Access (2010). *EFInA Access to Financial Services in Nigeria 2010 Survey.* EFInA.

EFInA (2010): Access to financial services in Nigeria. *2010 Survey.*

Goodland, A., Onumah, G., & Amadi, J. (2012). *Rural Finance.* Policy Series 1, Chatham, U.K.: Natural Resources Institute.

Gupta, P., Grace-Li, B., & Yu, J. (2015). From natural resource boom to sustainable economic growth:

lessons for Mongolia. *IMF WORKING PAPER, WP/15/90.*

Hariharan, G., & Marktanner, M. (2012). The growth potential from financial inclusion. *ICA Institute and Kennesaw State University.* Retrieved from http://www.frbatlanta.org/docume nts/news/conferences/12intdev/12 intdev_Hariharan.pdf

Hoselitz B. F. (1959). Small industry in underdeveloped countries. *Journal of Economic History, 19 (1)* (Reprinted in Ian Livingston (ed.), Development Economics and Policy: Readings, George Allen and Unwin)

Iddris, F. I. (2012). Adoption of e-commerce solutions in small and medium-sized enterprises in Ghana. *European Journal of Business and Management, 4*(10), 125-445.

Idowu, F. (2010). Impact of Microfinance on Small and Medium-Sized Enterprises in Nigeria. Ibo.

Joseph, J., & Varghese, T. (2014). Role of financial inclusion in the development of Indian economy. *Journal of Economics and Sustainable Development, 5*(11), 6-11.

Khan, H. R. (2011). Financial inclusion and financial stability: Are they two sides of the same coin? Address by Shri H. R. Khan, Deputy Governor of the Reserve Bank of India, at BANCON 2011, *Organized by the Indian Bankers Association and Indian Overseas Bank, Chennai, 4 November 2011.* Retrieved from *http://www.bis.org/ review/r111229f.pdf.*

Kushnir, K. (2010). How do economies define Micro, Small and Medium Enterprises (MSMEs)? *Companion Note for the MSME Country Indicators*, 66.

Levy, B. (1991). Obstacles to developing small and medium-sized enterprises: An empirical assessment. *Policy, Research and External Affairs Working papers, No. 588, World Bank*, Washington, D.C.

Michael, O. B. (2016). Achieving sustainable economic development in Nigeria through financial inclusion in the agriculture sector. *Journal of Global Economics, 4*(2), 1-5.

Martinez, M. V. (2011). The political economy of increased financial access. *A Thesis submitted in partial fulfilment of the requirement for the degree of Master of Public Policy to the Faculty of the Graduate School of Arts and Sciences of Georgetown University.*

Mbutor, O. M., & Uba, I. A. (2013). The impact of financial inclusion on monetary policy in Nigeria. *Journal of Economics and International Finance, 5*(8), 318-326.

Migap, J. P., Okwanya, I., & Ojeka, G. (2015). Financial inclusion for inclusive growth: The Nigerian perspective. *International Journal of Information Technology and Business Management, 37*(1),1-3.

Nwankwo, O. & Nwankwo, G. (2014). Sustainability of financial inclusion to rural dwellers in Nigeria: Problems and way forward. *Research Journal of Finance and Accounting, 5*(5), 24-31.

Okafor. F. O. (2012). Financial inclusion: An instrument for economic growth and balanced development in rural areas. *Journal of the Chartered Institute of Bankers of Nigeria, 6*(8), 38-45.

Onaolapo, A. R. (2015). Effects of financial inclusion on the economic growth of Nigeria. *International Journal of Business and Management Review, 3*(8), 11-28.

Pesaran, M. H., & Pesaran, B. (1997). *Working with microfit 4.0: Interactive econometric analysis.* Oxford: Oxford University Press.

Samson O. O., & Udeaja, E. A. (2010). Financial sector development and economic growth. Empirical evidence from Nigeria. *Central Bank of Nigeria Economic and Financial Review,* 48/3 September.

Sanusi, L. S. (2010). Developments in the banking system in Nigeria. Central Bank of Nigeria. *An address to member of the press. pp. 1-4. Retrieved August 2, 2011from:* http://www.bis.org/review/r09092 2b.pdf.

SMEDAN (2013). Survey report on Micro, Small, and Medium Enterprises (MSMEs) in Nigeria. Abuja: Small and Medium Enterprises Development Agency of Nigeria.

Stanley E., & Morse R. (1965). *Modern small industry in developing countries.* New York: McGraw-Hill.

Suleiman, S. G. (2005). The impact of investment and financial

intermediation on economic growth: New evidence from Jordan. *Abstract Mimeo.*

Yaron, J., Benjamin, M. P., & Piprek, G. L. (2013). *Rural Finance: Issue, Design, and Best Practices.* Washington DC, The World Bank.

Wiklund, J., & Shepherd, D. (2005). Entrepreneurial orientation and small business performance: A configurational approach. *Journal of Business Venturing, 20*(1), 71-91.

World Bank Annual Report (2015).