CSCanada
**Canadian Social Science**
Vol. 20, No. 3, 2024, pp. 67-72
**DOI:**10.3968/13365

ISSN 1712-8056[Print]
ISSN 1923-6697[Online]
www.cscanada.net
www.cscanada.org

# Microfinance Bank Interest Rate and Performance of Small and Medium Size Enterprises in Oyo East Local Government Area

Tuned Olutokunboh Obafemi[a],*; Lateefat Bukola Babarinde[b]

[a] Department of Accountancy, Federal University of Lokoja, Nigeria.
[b] Department of Accounting, Faculty of Management Sciences, Ajayi Crowther University, Oyo State, Nigeria.
*Corresponding author.

Received 14 April 2024; accepted 28 May 2024
Published online 26 June 2024

## Abstract

Small and Medium-sized Enterprises (SMEs) are recognized drivers of economic growth, job creation, and poverty reduction. This study investigates the statistical relationship between Microfinance Bank (MFB) interest rates and the financial performance of SMEs in Oyo East Local Government Area. The study employs regression analysis to assess the impact of MFB interest rates on SME financial viability and growth. The study finds that there is a statistically significant impact, with interest rates serving as predictors for SME financial viability and growth. The study concluded that there are critical relationship between Microfinance Bank interest rare and organizational performance of SMEs.

**Key words:** Interest rates; Microfinance bank; Financial performance; Small and Medium-sized Enterprises (SMEs); Lending rates

Obafemi, T. O., & Babarinde, L. B. (2024). Microfinance Bank Interest Rate and Performance of Small and Medium Size Enterprises in Oyo East Local Government Area. *Canadian Social Science, 20*(3), 67-72. Available from: http://www.cscanada.net/index.php/css/article/view/13365
DOI: http://dx.doi.org/10.3968/13365

## INTRODUCTION

In regions and nations all over the world, small and medium-sized enterprises (SMEs) are essential to economic growth and development. SMEs are frequently viewed as the foundation of economies since they foster innovation, job creation, and the elimination of poverty (Oyelana & Adu, 2015). To improve the efficient functioning of the Small and Medium Enterprise (SME) sector, it is crucial for Microfinance banks to play a vital role by providing credit facilities and other relevant assistance (Onyeiwu, Muoneke & Abayomi, 2021). The optimization of the economy is often dependent on the contribution of small and medium-scale enterprises (Dey, et. al., 2022). In addition, Small and medium-sized enterprises (SMEs) play a crucial role in advancing economic development and fostering job creation within a nation (Kongolo, 2010). Studies conducted by Anyanwu (2001), Afolabi (2012), and Uremadu, Ani & Odili (2014) emphasize the significant influence of these enterprises on a nation's economic performance. Unlike larger enterprises, SMEs have a notable impact on direct job creation and serve as valuable training grounds for individuals seeking to cultivate technical and entrepreneurial abilities, as emphasized by Kira (2013) and Uremadu et al. (2014).

In the specific context of Oyo East, a community steeped in cultural heritage and traditions, is inextricably linked to the success and vitality of its Small and Medium-sized Enterprises (SMEs). SMEs in Oyo East LGA are the lifeblood of local economies, providing employment opportunities, fostering innovation, and facilitating poverty alleviation. The performance and growth of SMEs in Oyo East, like in many parts of Oyo state and the world at large, are heavily dependent on access to financial resources. Entrepreneurs and business owners in this community often face challenges when seeking loans or financial assistance from conventional banks, where stringent lending criteria, administrative bureaucracy, and collateral requirements can create insurmountable barriers. It is on this background that Microfinance Banks (MFBs) have emerged as a vital component of the community's financial ecosystem, offering financial services uniquely tailored to meet the specific needs of SMEs in Oyo East.

At the heart of the relationship between Microfinance Banks and the SMEs, they serve lies a critical factor - the interest rates charged for the financial services they provide. The interest rate policies set by Microfinance Banks are instrumental in shaping the financial landscape for SMEs in Oyo East. These rates can dictate whether businesses thrive, face stagnation, or grapple with financial constraints that inhibit their operations and growth. Understanding the impact of Microfinance Bank interest rates on the performance and sustainability of SMEs is of paramount importance to various stakeholders, including policymakers, financial institutions, business owners, and the broader community. This study examined the nexus between Microfinance Bank interest rates and performance of SMEs in Oyo East LGA.

The primary aim of the study was to investigate the relationship between Microfinance Bank interest rates and the performance of SMEs in Oyo East LGA. The specific objectives are to:

i. assess the influence of microfinance bank's interest rates on the financial viability and growth of SMEs in Oyo East LGA; and

ii. examine the influence of Microfinance Bank's interest rate on organization growth rate of the SMEs.

To realise the defined objectives of the study, the following hypotheses are articulated:

**$H_o$:** 1. there is no significant influence between microfinance bank interest rates and the financial viability of SMEs in Oyo East LGA.

**$H_o$:** 2. Microfinance bank interest rate does not have any significant on organization growth rate of SMEs in Oyo East LGA.

## LITERATURE REVIEW

Community bank sectors were recognized globally as an effective tool for alleviating poverty since the 1990s, which later change to microfinance banks has demonstrated its beneficial effect on decreasing poverty and encouraging entrepreneurship in developing countries (Hossain et al., 2008). It involves providing financial services to the impoverished with the goal of empowering them by granting availability of credit and other financial services. Microfinance institutions (MFIs) offer unsecured loans at comparatively low interest rates, empowering economically disadvantaged individuals to start microenterprises (small businesses owned by individuals with limited financial means), support children's education, and enhance overall household well-being. In order to meet the diverse financial needs of the impoverished, microfinance organisations have extended their services beyond microcredit to include products like micro insurance and micro mortgage. In addition, many of these establishments encourage their patrons to open savings accounts, which serve as a source of funds for both investments and unexpected expenses (Carr & Tong, 2002).

According to the Canadian International Development Agency (CIDA), microfinance banks are organizations that offer a wide range of financial services to low-income individuals and microbusinesses that frequently do not have access to traditional financial institutions (CIDA, 2002). It involves providing financial services and managing small sums of money through various products specifically designed for individuals with limited financial resources. These products encompass loans, savings, insurance, and more, as highlighted by the United Nations in 2005. While Otero (1999) defines microfinance as providing financial services to self-employed individuals with low to very low income, it is defined as giving lower-income groups access to loans, savings accounts, and other financial services by Almeyda and Branch (1999). Microfinance originated from the idea that micro-entrepreneurs and certain clients from low-income backgrounds can be deemed "bankable"—that is, capable of timely principal and interest payments as well as saving money—as long as the financial services are customised to match their individual requirements. Interest rates play a pivotal role in the world of finance, serving as the cost of borrowing or the return on investment (Homer & Sylla, 1996). At its core, an interest rate represents the price of money over time, influencing a myriad of economic activities and financial decisions (Neumeyer & Perri, 2005). This critical economic variable is a dynamic force that shapes the landscape of lending, investment, and overall economic growth (Siegel, 1992). When individuals or businesses seek financial resources, they often turn to loans or credit facilities provided by financial institutions (Avevor, 2016). Interest rates act as the compensation lenders receive for the risk they undertake and the opportunity cost of lending funds instead of using them elsewhere (Heider, Hoerova & Holthausen, 2015). These rates are shaped by an intricate interaction of elements, encompassing inflation, monetary policy, and the general well-being of the economy (Dosi, Fagiolo, Napoletano, Roventini & Treibich, 2015).

Central bank, as the stewards of a nation's monetary policy, play a significant role in determining interest rates (Roubini, 2006). By using instruments like changing the benchmark interest rate, it seeks to accomplish economic goals such as maintaining price stability, achieving full employment, and promoting sustainable economic growth (Hartmann & Smets, 2018). A lower interest rate can stimulate borrowing and spending, thereby boosting economic activity, while a higher interest rate may be employed to cool down an overheating economy and curb inflation (Clouse, Henderson, Orphanides, Small & Tinsley, 2003). Investors also closely monitor interest rates as they have a profound impact on the valuation of financial assets (Davis, 1996). Bond prices, for instance, move inversely to interest rates — a concept known as interest rate risk (Engel, 2016). As interest rates increase, the current value of future cash flows derived from fixed-income securities diminishes, resulting in a decrease in bond prices (Jarrow, 2002). Conversely, falling interest rates can drive up the prices of existing bonds. Moreover, interest rates influence consumer behavior (Malkiel, 2015). Higher interest rates may lead to increased savings as the cost of borrowing rises, while lower rates may encourage spending and investment (Blanchard, 2019). This delicate balance between consumption and saving has broad implications for the overall health of an economy. The global interconnectedness of financial markets means that interest rates are not only influenced by domestic factors but also by international developments (Edwards, 2000). In furtherance, interest rate variations can be caused by alterations in investor sentiment, geopolitical events, and changes in the state of the global economy (Nowzohour & Stracca, 2020). Performance, in the words of Obiwuru, Okwu, Akpa, and Nwankwere (2011), is an organization's ability to achieve set objectives. These goals include—but are not restricted to—achieving large profits, producing high-quality goods, gaining a significant portion of the market, achieving favorable financial results, and guaranteeing survival within specified timeframes by putting pertinent action plans into practice. An alternative viewpoint is provided by Wang (2010), who defines performance as the real results, accomplishments, and achievements within a company. Furthermore, according to Williams and Andersons (1991), an employee's efficacy in carrying out their designated roles and responsibilities at work is the basis for determining their performance.

Given the higher employment growth rate attributed to SMEs compared to larger enterprises, the discovery of determinant elements impacting SMEs' performance is acknowledged as a significant emphasis within the business landscape (Rosli, 2011). Anastasia (2008) suggests that the efficacy, efficiency, contentment, and originality of a product can be used to gauge the performance of an organization. Apolot (2012) assessed organizational success in his study by taking into account variables including profitability, customer happiness, and sales growth. This research uses a concept that incorporates ideas from Anastasia (2008) and Apolot (2012).

The terms "small-scale businesses," "small-scale industries," and "small-scale entrepreneurship" are often used interchangeably to denote entities falling within the Small and Medium Scale Enterprises (SMEs) category (Barine, 2021). Both in Nigeria and on a global scale, a precise definition of a small business seems challenging to pinpoint (Ihua & Siyanbola, 2012). According to Kayode (2010), the Third National Development Plan in Nigeria classified a small-scale firm as any manufacturing establishment that employed fewer than ten people or invested no more than six hundred thousand naira in machinery and equipment. Similarly, in its loan criteria, the Central Bank of Nigeria (CBN) classified small-scale businesses as those having an annual income or asset of less than half a million naira (N500,000) (Kayode, 2010). The Federal Government Small Scale Industry Development Plan of 1980 further defines a small-scale company in Nigeria as one that operates in the manufacturing or service sector and has capital of little more than N 150,000 for manufacture and equipment alone. The Small Scale Industries Association of Nigeria (1973) defined small-scale firms as those that employed no more than fifty people and had investments (i.e., capital, land, building, and equipment) of up to N 60,000 (pre-SAP Value). Furthermore, the Federal Ministry of Industries defined these businesses as ones that, including working capital, cost no more than N 500,000 (pre-SAP Value). Furthermore, a small-scale industry was defined as one that employed up to 50 full-time workers and was engaged in manufacturing, processing, or service activities involving production operations in a policy proposal that the Centre for Management Development (CMD) submitted to the federal government in 1982 (Kayode, 2010). On the other hand, an organisation that adheres to the US Small Business Administration's (SBA) employment standards, is independently owned and operated, and does not lead its industry in terms of employment or sales is considered a small business (White & Chacaltana, 2002).

## THEORETICAL REVIEW

This study is based on the Harold Dolmar Growth Theory, a theory developed by Harold (1939) and Dolmar (1946). According to the framework of this theory, maintaining a consistent state of progress necessitates that overall demand grows at a rate equivalent to the economy's output capacity. The implications of this model for the current study can be outlined as follows: firstly, the expansion of entrepreneurship demands investment, requiring the availability of loans and savings through Microfinance Institutions (MFIs) leads to increased investment activities among Small and Medium Enterprise (SME) owners. Nonetheless, it is important to note that while efforts to support entrepreneurs via lending are in place, the success of their businesses is still limited by the economic conditions of both the national and global markets.

When the nation's economy expands, there are more opportunities for business, which benefits small and medium-sized enterprises (SMEs) and the individuals who comprise them. The hypothesis states that microfinance banks' numerous services, which include lending, insurance, mobilising savings, training, and more, serve as a helpful tool for enhancing their clients' capacity for innovation. Numerous studies have been conducted regarding the role that microfinance banks play in development. According to Bencivenga and Smith (1991), the creation and effective financial intermediation of microfinance banks adds value to the economic performance of rural areas by directing savings towards highly productive activities and lowering risks that could compromise the productivity potential of SMEs.

Dionco-Adetayo et al. (2006) conducted a study to assess the influence of promotional policies on the growth of small enterprises, the research sought to identify and evaluate programs designed to promote small-scale industries. The primary objectives were to assess the alignment of these programs with their intended goals and to examine their effects on business expansion, was carried out in Lagos State, an area known for its dense industrial and commercial activities. It considered various independent variables related to the growth of small businesses, evaluating aspects like workforce size, organizational structure, and the advancement of technology.

The firm promotion policy program, on the other hand, is the dependent variable in this study and is measured and operationalized using a Likert scale. Analyses that were both descriptive and inferential were performed on the data gathered via structured questionnaires. The findings revealed that corporate marketing initiatives mostly focus on supporting the growth of small businesses, encompassing a range of topics including technical know-how, instruction, training, and technology adoption, as well as commercialization and information services. But in spite of these efforts, SMEs continue to have little knowledge of these programs, which hinders their efficient use.

Babagana (2010) and Hassan and Olaniran (2011) conducted independent studies on the effect of microfinance banks (MFBs) on enhancing the performance of SMEs in Nigeria and reported favourable results for the SME sector of the nation. Akingunola (2011) looked at the variety of financing options that small and medium-sized businesses (SMEs) in Nigeria have access to, highlighting the role that SMEs play in fostering economic growth. The report claims that SMEs' productivity can be raised by support organisations, especially the Industrial Development Centre (IDC). Obasan and Arikewuyo (2012) examined the effects of bank consolidation on SMEs' financing availability in Nigeria, both during and post the process. According to their research, banking consolidation was essential to Nigeria's economic growth and had a positive effect on the growth of SMEs.

The effects of loan availability on small and medium-sized enterprises (SMEs) in Ghana's Ho Volta Region were investigated by Ahiawodze and Adade (2012). The study examined 78 SMEs in the manufacturing sector using econometric techniques and questionnaires. Economic analysis and survey data indicate that loan availability has a major role in the growth of small and medium-sized enterprises (SMEs) in Ho-city, Ghana. In a related study, Dansu and Joseph (2013) looked at the relationship between business risk and the long-term viability of SMEs in Nigeria. They argued that because SMEs face so many risks, transparent and objective management approaches are required. Using primary data from fifty SMEs in Lagos State and descriptive statistical methods and Chi-square analysis, they concluded that SMEs' risk management strategies had a positive influence on the longevity and stability of their enterprises.

Katua (2014) and Ogujiuba et al. (2013) looked at the credit availability for Small and Medium Enterprises (SMEs) in Nigeria and stressed the significance of recently authorised capital for SMEs. Furthermore, in order to determine the best methods for the most effective SME support, Abereijo and Fayomi (2005) looked into creative financing strategies for SMEs on a worldwide scale, with a focus on private equity financing. The study's conclusions showed that banks all around the world face a variety of obstacles when putting SME loan plans into action. These obstacles include issues with cash flow, investment structuring, increased monitoring and valuation, liquidity, and exit strategies.

Research was done by Katua (2014), Quaye et al. (2014) and Kira (2013) to look at how bank loans to small and medium-sized businesses (SMEs) affected the nation's economic growth. Even while SMEs have the ability to create value, research indicates that they have not yet reached their full potential, as shown by a number of shortcomings that are preventing them from expanding. Particularly, capital was shown to be a major barrier preventing SMEs from growing and increasing production. However, the study found a link between economic growth and SMEs' ease of access to finance.

## METHODOLOGY

The study was carried out in the Oyo East Local Government Area (LGA) with the aim of focusing on small and medium-sized business owners within the examined region. Oyo town's Oyo East LGA was selected because of the area's high concentration of small and medium-sized businesses. The study especially looked at how the lending rates offered by microfinance banks affected the performance of small and medium-sized businesses in Oyo East Local Government Area. The study implemented a descriptive survey design with the objective of collecting data from participants via questionnaire distribution. Fifty owners of small and medium-sized businesses in Oyo East were chosen at random to participate in the survey, making up the sample size. The study's main objective was to ascertain the impact of microfinance bank interest rates on the performance of SMEs in the designated area.

## DATA COLLECTION AND INSTRUMENTATION PROCEDURES

Data was gathered using a survey instrument, specifically a questionnaire, which was administered to the proprietors of small and medium-scale enterprises within the research area. To facilitate the data collection process, the researcher enlisted the assistance of research personnel who distributed the questionnaires to these SME owners. Subsequently, the completed questionnaires were collected after the participants had filled them out. The assessment of small and medium-scale enterprises' performance encompassed dimensions such as enhancing profitability, expanding sales, fostering innovation, improving effectiveness, increasing efficiency, and boosting customer satisfaction. The questionnaire utilized in this study was adapted from Anastasia (2008) featured a five-point rating system with Strongly Agree to Strongly Disagree as the response options. The study's estimated model is shown below:

$SP = \alpha i + \beta_1 IF + \beta_2 IG + \varepsilon$

Where:

SP- Information on SME's Performance

αi – Intercept of the model

β- The slope coefficient

IF- Information on Financial viability

IG- Information on Growth of SMEs

ε - Random disturbance term.

*Source*: Adapted from (Aremu & Olofinlade, 2021)

## RESULTS

### Test of Hypothesis

According to the hypothesis, microfinance bank interest rates have little bearing on the expansion and financial stability of SMEs in Oyo East Local Government Area.

**Table 1**
**Regression analysis summary demonstrating how interest rates at microfinance banks affect the growth and financial sustainability of SMEs in Oyo East LGA**

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .152 | .071 | .048 | 4.9243 |

ANOVA

| Model | Sum of Square | Df | Mean Square | F | Sig | Remark |
|---|---|---|---|---|---|---|
| Regression | 789.475 | 1 | 101.152 | 0.834 | .005 | Sig. |
| Residual | 4887.854 | 49.7 | 72.439 | | | |
| Total | 5677.333 | 50 | | | | |

*Source:* Field work, 2023

Table 1 displays how interest rates charged by microfinance banks affect the growth and financial sustainability of SMEs in Oyo East Local Government Area. A multiple correlation coefficient (R =.152; R2 =.071 and adjusted R2 =.048; P<.05) is also displayed in the table. This suggests that the predictor variable (interest rate) accounted for 4.92% of the variation. Additionally, the table displays the results of the regression's analysis of variance (F = 0.834; P<.005). This suggests that the lending rates and credit volumes of small and medium-sized businesses in Oyo East LGA are important indicators of their financial viability and expansion.

## DISCUSSION OF FINDINGS

The performance of small and medium-sized businesses in Oyo East LGA was investigated in this study in relation to the interest rates offered by microfinance banks. The study takes into account two performance indicators: growth rate and financial viability. In this study, the two possibilities were investigated. The study's findings indicate that the interest rates charged by microfinance banks had a considerable impact on the small and medium-sized businesses in Oyo East LGA's growth rate as well as their financial viability. Obiwuru, Okwu, Akpa, and Nwankwere (2011) confirmed this.

## CONCLUSION & RECOMMENDATIONS

This study delved into the critical relationship between Microfinance Bank (MFB) interest rates and the performance of Small and Medium-sized Enterprises (SMEs) in Oyo East Local Government Area. Also, the study indicated by the regression analysis, revealed a significant impact of Microfinance Bank interest rates on the financial viability and growth of SMEs in Oyo East LGA. The predictor variable, represented by lending rates, accounted for 4.92% of the variance in the financial viability and growth of SMEs. The analysis of variance further supported the significance of lending rates and credit volumes in predicting the financial viability and growth of SMEs in the region. The study recommends that interest rate adjustment, financial inclusion initiatives, flexible and innovative financial products that address the unique needs and challenges faced by SMEs in Oyo East should be prioritized. Also, microfinance Banks should invest in capacity building programs for SMEs in Oyo East. These programs can focus on financial literacy, business management skills, and other aspects that empower SME owners to make informed financial decisions and enhance their overall performance.

## REFERENCES

Afolabi, M. O. (2013). Growth effect of small and medium enterprise (SMEs) financing in Nigeria. *Journal of African Macroeconomic Review, 3*(1), 192-205.

Ahiawodze, A. K., & Adade, T. C. (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, 6*(2), 34-51.

Anyanwu, C. M. (2001). Financing and promoting small-scale industries: Concepts, issues and prospects. *CBN Bullion, 25*(3).

Aremu, O. S., & Olofınlade, S. O. (2021). *Impact of microfinance banks' credit on the performance of small and medium scale enterprises in Oyo state.*

Avevor, E. (2016). *Challenges faced by SMEs when accessing fund from financial institutions in Ghana.*

Barine, L. O. (2021). Entrepreneurial characteristics and performance of small and medium scale enterprises in Port Harcourt Metropolis. *World Journal of Entrepreneurial Development Studies, 6*(1), 11-31.

Blanchard, O. (2019). Public debt and low interest rates. *American Economic Review, 109*(4), 1197-1229.

Carr, J. H., & Tong, Z. Y. (Eds.). (2002). *Replicating microfinance in the United States.* Woodrow Wilson Center Press.

Clouse, J., Henderson, D., Orphanides, A., Small, D. H., & Tinsley, P. A. (2003). Monetary policy when the nominal short-term interest rate is zero. *Topics in Macroeconomics, 3*(1).

Davis, E. P. (1996). The role of institutional investors in the evolution of financial structure and behaviour. *The Future of the Financial System, 33,* 49-99.

Dey, P. K., Malesios, C., De, D., Budhwar, P., Chowdhury, S., & Cheffi, W. (2022). Circular economy to enhance sustainability of small and medium sized enterprises. In *Supply Chain Sustainability in Small and Medium Sized Enterprises* (pp. 10-45). Routledge.

Dosi, G., Fagiolo, G., Napoletano, M., Roventini, A., & Treibich, T. (2015). Fiscal and monetary policies in complex evolving economies. *Journal of Economic Dynamics and Control, 52,* 166-189.

Edwards, S. (2000). *Interest rates, contagion and capital controls.*

Engel, C. (2016). Exchange rates, interest rates, and the risk premium. *American Economic Review, 106*(2), 436-474.

Hartmann, P., & Smets, F. (2018). *The first twenty years of the European Central Bank*: Monetary *policy.*

Heider, F., Hoerova, M., & Holthausen, C. (2015). Liquidity hoarding and interbank market rates: The role of counterparty risk. *Journal of Financial Economics, 118*(2), 336-354.

Homer, S., & Sylla, R. E. (1996). *A history of interest rates.* Rutgers University Press.

Ihua, U. B., & Siyanbola, T. O. (2012). Critical challenges limiting small business performance in Nigeria: An exploratory investigation. *International Journal of Business and Globalisation, 9*(2), 171-185.

Jarrow, R. A. (2002). *Modeling fixed-income securities and interest rate options.* Stanford University Press.

Kira, A. R. (2013). Determinants of financing constraints in East African countries' SMEs. *International Journal of Business and Management, 8*(8).

Kongolo, M. (2010). Job creation versus job shedding and the role of SMEs in economic development. *African Journal of Business Management, 4*(11), 2288.

Malkiel, B. G. (2015). *Term structure of interest rates: Expectations and behavior patterns.* Princeton University Press.

Neumeyer, P. A., & Perri, F. (2005). Business cycles in emerging economies: The role of interest rates. *Journal of Monetary Economics, 52*(2), 345-380.

Nowzohour, L., & Stracca, L. (2020). More than a feeling: Confidence, uncertainty, and macroeconomic fluctuations. *Journal of Economic Surveys, 34*(4), 691-726.

Onyeiwu, C., Muoneke, O. B., & Abayomi, A. M. (2021). Effects of microfinance bank credit on small and medium scale businesses: Evidence from Alimosho LGA, Lagos State. *The Journal of Entrepreneurial Finance, 22*(2), 4.

Oyelana, A. A., & Adu, E. O. (2015). Small and medium enterprises (SMEs) as a means of creating employment and poverty reduction in Fort Beaufort, Eastern Cape Province of South Africa. *Journal of Social Sciences, 45*(1), 8-15.

Roubini, N. (2006). Why central banks should burst bubbles. International Finance, 9(1), 87-107.

Siegel, J. J. (1992). The real rate of interest from 1800–1990: A study of the US and the UK. *Journal of Monetary Economics, 29*(2), 227-252.

Uremadu, S. O., Ani, O. I., & Odili, O. (2014). Banking system credit to small and medium scale enterprises (SMEs) and economic growth in Nigeria: A co-integration approach. *IOSR Journal of Economics and Finance, 5*(6).