International Journal of Advances in Engineering and Management (IJAEM)
Volume 5, Issue 3 March 2023, pp: 1803-1811 www.ijaem.net ISSN: 2395-5252

Factors affecting Small and Medium Enterprises Supply Chain access to credit facilities: a case of Matero -Lusaka

Sichone M[1], Mweshi G.K. [2]
School of Social Sciences. ZCAS University-Zambia
School of Social Sciences. ZCAS University-Zambia

Date of Submission: 20-03-2023 Date of Acceptance: 30-03-2023

ABSTRACT
The research talked about factors affecting SMEs in accessing credit from financial institutions the case of Matero -Lusaka with a view to understand how credit facilities have an impact on SMEs growth and survival in Matero, while considering other alternative sources of financing as SMEs in Matero bearing in mind the concerns to their reliability based on terms and conditions that the SMEs are subjected to as they try to get financing from lending sectors. The research fully reflected the form and nature of the current state and trends of SMEs in Matero market. Relevant theories that guided this research includes credit rationing theory and pecking order. The study relied on the following independent variables; loans terms and conditions collateral, cost of credit, level of education and firm's age, on the other hand the dependent variable; access to credit. The target population was 632 SMEs owners located in Matero and the sample size 240 was drawn. The study employed a descriptive study design. A random sampling technique was used. Primary data was collected using semi-structured questionnaires. The data collected was subjected to further analysis and regression analysis was carried out to establish the relationship between the identified factors and credit uptake. The data was analyzed using SPSS, and tables and bar charts were generated. The study found out that interest charged on loans, collateral security and literacy levels are key determinant to access to credit among small and medium enterprises in Matero.
Keywords - SMEs, entrepreneurship, credit facilities, financial institutions and Interest rates

I. INTRODUCTION

Small and medium enterprises today are an important part of the economy as they play a significant role in the development of the country. They are the life blood of many countries as they do not only drive the economies of those countries towards reduced levels of unemployment and poverty but they also encourage entrepreneurship spirit and contribute to gross domestic product (GDP) of the country (Chilembo, 2021). A survey of Matero Township was done where an approximately population of 632 business people working as SMEs were found operating located in Matero and the sample size 240 was considered for the research. SMEs are defined by the Small Enterprises Development Act of 1996 as any business enterprise with not less than 10 employees. UNIDO defines SMEs in growing economies primarily based on the number of personnel in the enterprise. Some Small firms are generally those with fewer than 50 employees, most 10, or in some cases 5 workers. for instance, the universal small stores within the cities may include hair dressing saloons and chop bars (Vuvor, 2011).

II. BACKGROUND STUDY

The recognition of the importance of SMEs by the Zambian government comes as far as 1981s, and a lot of efforts and works to develop and support SMEs business begun in that period. Government observed that the small and medium enterprises in Matero and Zambia at large were working under financial difficulties, in order to curve this problem the Small Industries Development Act of 1981 and the Small Enterprises Development (SED) Act of 1996 were enacted and in 1989 the fourth development plan was passed which intended to provide infrastructure where SMEs activities could take place and among the built infrastructures was Matero market (Mulenshi, 2017).

According to a newspaper article written by Zambian daily mail limited in 2018, Matero is a well-known area and it is commonly known as "a city within a city". In the late 70's and 80's attracted a lot of people from different parts of Zambia and neighboring countries who wished to come and do business and others who visited the area just to come have fun because of the famous night clubs Matero had. It became evident that majority of the migrants came to Matero to testify the common saying of "if you have never been to Matero then you have never been to Lusaka"

Matero was built in 1952, however in preceding years its residents did not involve themselves so much into enterprising activities because of the economic system which was government driven and individuals depended on formal employment (Mulenshi, 2017), entrepreneurship activities resurgence as a result of the growing industrial area the country was experiencing and it was during that time the Matero experienced exceptional development fastened on the entrepreneurial skills from some residents. Matero residents begin to engage in small business-like selling fish, tomatoes, onions and other items, carpentry activities like assembling wood chairs and tables and hair dressing, however such activities required capital to set up and access to capital was a challenge and still is a challenge which is our area of study in this research and this encouraged this study to be undertaken.

III. PROBLEM STATEMENT

Despite a series of acts being enacted by the government from 1981 to date, which also includes the recent act of the new ministry for Small & Medium Enterprises that was passed on Wednesday, September 8th 2021, with the number researched upon of 632 out of which 240 were sampled with businesses ranging from gate makers, boiler makers, furniture markers, saloon operators, small holdings and businesses of similar nature, only 10% expressed desire for the loans from the financing organisations for their businesses. SMEs in Matero still face serious challenges and accessibility and availability of finance for their operations is very limited. Lack of access to credit facilities from both banks and non-banks financial institution is a major obstacle to the growth and survival of SMEs in Matero as well as high prevailing interest rates in Zambia's financial sector. Furthermore, SMEs business are deemed to be high risk by banks as they lack appropriate financial statements as well as sufficient collateral informants of tangible assets. Banks tend to decline SMEs loan application as the loans procedure is expensive on their side and in most cases SMEs require small loan amounts yet any loan amount requested by the borrower be it small or huge requires the same loan administrative process.

Research Scope

The scope of this research has been restricted to Lusaka precisely in Matero because this area is highly populated with SMEs as this will allow us to gain a better insight of the problems SMEs face in their quest to obtain credit from a financial institution. According to Zambia daily mail newspaper (2018) before Matero Market was set up, Matero residents conducted their businesses between Commonwealth Road and Nsefu Crescent, the market is located on Commonwealth Avenue in the center of Matero close to the main business area where the grocery shops and bars are found and as of now the market has really grown having a lot of SMEs businesses populated around that area thus the main reason of choosing Matero as the area of study.

FINANCING GAPS BETWEEN SME AND LARGE BUSINESSES

As of late, the business climate in Lusaka has been exceptionally powerful. what's more is that there has been an upsurge of numerous business that are taking part in SMEs activities. This has triggered the interest of SMEs to seek funds from financing institutions for their operations as formation, development and survival of SMEs is largely dependent on their access to finance However, numerous SMEs are still financially restrained and the fairness of the economic policies governing the way financial institutions administer loans in Zambia on the basis of companies being an SMEs or big corporations is being questioned as most SMEs are disadvantaged (Chilembo, 2021).

Zambia is not an exception when it comes to having differences on how big corporations access funds from financial institution when compared to small medium enterprises, its financial institutions tend to make a common mistake many African banks do by channeling large amounts of funds to big corporations at the expense of SMEs. However, they do not realize one cardinal point that even the enormous organizations were once little, and their growth were based on the financial help they got from certain people or associations that funded them (Muyasani, 2016).

FINANCIAL INSTITUTION LENDING CRITERIA TO SMES BUSINESSES

According to Chowdhury (2017) access to funds by SMEs from banks and non-banks is uncommon and limited as lending institutions have put in place tough conditions on SMEs such as the purpose of the loan, previous loans repayment history, repayment schedule, type of business activity involved, loan size relative to the business size, presentation of collateral, high transaction cost and loan duration ranked highest on their criteria list 2010, these conditions are enforced on SMEs because they usually display certain characteristics which are associated with inability to repay the loan (Chowdhury, 2017). Most financial institutions have set some criteria for lending to businesses and they engage in credit rationing before a loan is granted. The loan application of the SMEs is scrutinized and appraisal methods such as 5c's and the CAMPARI are utilized and to a large extent loan eligibility of SMEs is a challenge for many banks thus the financial exclusion gap is intensified when SMEs don't meet bank prerequisites (Aladejebi, 2019).

FACTORS AFFECTING SMEs

SMEs face funding challenges on the grounds that they are deemed to be high risk, they lack assets to pledge as collateral and they have the ability to cause reputational risks on banks well as the fact they present issues to do with (information asymmetries) data imbalances between finance suppliers and borrowers (Aladejebi, 2019).

HIGH INTEREST RATES

According to Chilembo (2021), 25% of African SMEs consider availability rate of loans and cost of finance to be a major obstacle to their development (Chilembo, 2021). A popular characteristic of growing economies like Zambia is high interests. Interest rates is the cost of borrowing, high interest charges have the ability to impact on the company's growth prospects, as they can decrease earnings thus eliminating the chances of the business to grow. Furthermore, higher interest rates affect the cash flow of the business in that the borrower has to keep a large portion of their cash flow to service the loan, this places the company in a position where they fail to meet other commitments as its disposable income reduces (Ndungu, 2016).

COLLATERAL REQUIREMENTS

Collateral remains to one of the major credit prerequisites that financial institutions take into consideration before they extend a loan to a potential borrower, Various studies revealed that lending to SMEs is a very risky business as most SMEs do not have adequate assets to pledge as collateral against the loan application (Shikumo, 2016). According to Rose (2008) Collateral is an asset of monetary value that a borrower uses as an alternative source of payment when the borrower fails to pay the loan using the primary source of payment (cash). Collateral becomes something the bank falls back on in an effect the borrower fails to pay, the bank sells the asset and get the proceeds to offset the loan (Ndungu, 2016). According to Chilembo (2021) majority of SMEs fail to present assets that can be considered as collateral by creditors, they don't have the appropriate resources to use as collateral and they do not have the capability and experience to preserve their possessions for borrowing purposes.

THE SMEs OPERATOR CREDIT HISTORY

This is the track record of the SMEs operator history of reimbursing debt and how they performed on previous loans they obtained from banks and other financial institutions (Sathye, 2001). Banks are unwilling to lend to SMEs because of dangers emerging from past records of SMEs performance and credit risks (Sarbah, 2014). The history of installment payments on previous loan amounts influences the financial institution to extend the loan amount or not. In most cases it has been observed that SMEs trying to access credit are those that have just been set up with no proper banking records, or the SMEs operator doesn't own a bank account.

SIGNIFICANCE OF SMEs TO MATERO RESIDENCES

The rise of SMEs business in Matero has yield positive effects as it has changed the standards of living for many individuals participating in SMEs activities in Matero. The expansive base of African business ventures in Matero comprise of market merchants selling fish, tomatoes, onions and different types of food to buyers. specialists making and selling containers for conveying water and woodworkers assembling seats, tables and cupboards, Barber shops and hair salons, metal fabrication, and restaurants just to mention a few.

These little ventures are discovered to a great extent to have given more employment to Matero residents than any other classification of African business in the compound. SMEs have bypassed employment levels offered by all other commercial enterprise institutions that exist in Matero when combined. Furthermore, these establishments have produced a lot of successful entrepreneurs who now own big business that came out of their small business and it has brought about infrastructure development in Matero compound.

AVAILABLE SOURCES OF FUNDING FOR SMES

It is unusual that banks and other financial institutions would completely finance SMEs, particularly new companies, purported Greenfields, given the high risks associated with them and the general unrealistic view by most banks that SMEs organizations are associated with low credit scores.

International Journal of Advances in Engineering and Management (IJAEM)
Volume 5, Issue 3 March 2023, pp: 1803-1811 www.ijaem.net ISSN: 2395-5252

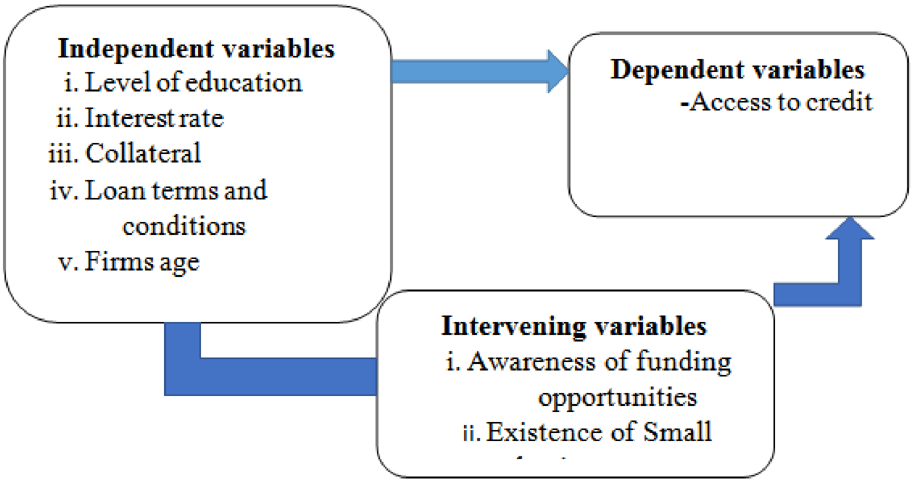
However, the development and survival of SMEs generally rely upon the ease with which they can get credit from the banks and other source of finance (Chilembo, 2021).

SMEs remain to have zero admittance to formal credit because traditional banks see them as high risk and high default rate organizations. Subsequently, the monetary necessities of SMEs are not considered in the loaning strategy plan of banks. A large portion of them are denied admittance to monetary help from customary monetary foundations. Along these lines, SMEs go to optional wellsprings of money to cater for their monetary necessities (Sarbah, 2014). A portion of the optional wellsprings of money is made up of informal sources of finance that stems from relatives, family and friends (Shikumo, 2016). Despite the great efforts made by central bank and the government to financially include and develop SMEs, banks still fail to come up with appropriate products that cater the needs of SMEs (Nachibanga, 2014).

IV. CONCEPTUAL FRAMEWORK

In this study the independent variables are level of education, interest rate, firms age loan terms and condition and collateral these named variables can easily influence how an SMEs can obtain a loan from a financial institution, on the other hand the dependent variable is access to finance and its changes is dependent on the effects of the independent variables being measured (McLeod,2019). Furthermore, the intervening variable in the study are presented by SMEs awareness of funding opportunities and existence of Small business support these will explain the relationship between the dependent and the independent variables.

Diagram Displaying Independent Dependent and Intervening variables



V. THEORETICAL FRAMEWORK

The issue of absence of credit to SMEs can be accessed from two perspectives that is the lending institutions (banks and non-banks) and the SMEs administrators.

PECKING ORDER THEORY

This theory was coined by Myers and Majluf in 1984. Although it is believed that they amended the works done by Donaldson (1961) to enhance the theory. This theory stresses the point that an organization ought to incline itself towards inside resources like reserves rather than external sources of finance (Oshora, 2021). For situations where the wellspring of financing is inaccessible and the firm is in need of extra funding, an organization should fund itself using debt rather than use equity as equity is an expensive source of finance. At last, and if all else fails, the use of equity as a source of finance should be the least option for the organization (Nachibanga, 2014). This theory has been included in our study because this theory suggests that the best option the SMEs can follow back on in the event they are financially distressed is debt financing rather than equity, it recognizes that business individuals must first consider internal sources to external sources to finance their operations but mostly SMEs are denied access to finance, which is the main focus of this study thus the need to include it.

CREDIT RATIONING THEORY

This phenomenon was created by Stiglitz and Weiss in 1981 which occurs when bank managers rise market financing cost (interest rates) and incorporate stiff loan terms and conditions as part of their lending criteria e.g. requesting for additional security as means to shorten the loan applicants list, bank moneylenders place credit limits on borrowers and they randomly deny access to credit to a fraction of borrowers even if the borrowers are willing to pay a higher interest rate for the loan because they cannot distinguish between safe and risky borrowers (Hodgeman, 1960).

In other words, it is a situation where banks are hesitant to drive additional resources to borrowers, they engage in credit rationing and identify elements that led them not to lend to SMEs (Blackwell, 2000). The importance of this theory stems from the issues of credit risks and the likelihood of the SMEs jeopardizing the existence of the banking sector thus the reasons behind careful lending by financial institutional, this explains why banks limit credit supply to SMEs. This results in a case of some SMEs obtaining loans while others are denied access to loans.

GAPS IN THE LITERATURE

According to Philip and Bhatia-Panthaki (2007), Zambia has very little literature surrounding SMEs and the factors that affecting SMEs in accessing credit from financial institution. Much of the works regarding SMEs are from the out world and not Zambia and they are predominantly in the developed world context, making it difficult to apply some concepts to developing countries such as those in the Sub-Saharan African region like Zambia (Phillips, 2007). Gichuki & friends (2014), noted that much has been said and written regarding SMEs in the context of its importance, benefit and most studies were restricted to the researcher's objectives but in their study the researchers did not focus on the area of study based on their own objectives but rather the study took a step further to address the challenges facing micro and small enterprises in accessing credit facilities (Gichuki, 2014).

SAMPLING FRAME AND SAMPLE SIZE

The sample framework for this research were the SMEs operating and residing in Matero (Mackinon, 2020). In this research the researcher used a random sampling because each unit of population had the same probability of being included in the sample (Fisher, 2010). The total population that was covered in the research was 632 SMEs. To obtain the sample size for the study, the online Rao soft calculator with a confidence level of 95% and margin of error 0.05, the total sample size that was obtained is 240.

VI. DATA COLLECTION

For this research, a questioner with 5 Likert scale was utilized to obtain data from respondents. The level of agreement and disagreement was measured using the following **1= Strongly Disagree 2= Disagree, 3= Neutral, 4 = Agree, 5= Strongly Agree**. The SPSS software was used to analyze quantitative data from the questionnaire and draw conclusions for data obtained from closed ended questions (Gichuki, 2014).

RELIABILITY OF RESEARCH FINDINGS

The Cronbach's Alpha as a measure of internal consistency of the data set of items being studied, was used to check the degree of how a set of items as a group were closely related. The Cronbach's Alpha of 0.675 was attained through the use of the reliability command in SPSS.

VII. DATA AND METHODOLOGY

The research was based on raw data obtained through questionaires that were distributed to SMEs operating within Matero trading center. The SPSS software was used to analyze the data. A total of 240 questioners were distributed to SMEs operators and all 240 were successfully filled and returned. From the number of respondent's included in the study majority were female representing 64% of the total sample size followed by male representing 36% of the population This shows that there are more females operating in SMEs business in Matero compared to males. Majority of the SMEs participants interviewed in Matero were married representing 48% of the sample, followed by 20% who were divorced. 13% were widows, 10% were single and 8% were widowers. Majority of the respondents in Matero attained an education up to primary covering 42% of the respondents interviewed. 24% were from secondary school. 18% of the respondents were from tertiary that is either from college or university whereas 15% of the respondents interviewed did not have any education but were business oriented.

The study found out that most of the businesses had been in existence for 1-5 years representing 43% of the sample size, followed by 29% of the businesses that had been in existence for 6-10 years. Only 10% of the businesses had been in existence less than 1-year. 9% and 8 % existed for 11-15 years and over 15 years respectively. This means that the researcher sought opinions from respondents who had been in business for a longer period, long enough to understand the challenges faced by SMEs when trying to access credit facilities. However, majority of the SMEs in Matero are between 1-5 years and it was observed that banks tend not support start up business due to the uncertainty of their success thus the major reason SMEs in Matero are facing financing problems (Chilembo, 2021).

HIGH INTEREST RATE CHARGED ON THE BORROWINGS

Collateral remains one of the major perquisites bank look at before a loan is administered to a potential borrower. Respondents were asked to state if interests are extremely high.8% of the respondents strongly disagreed while 39% strongly agreed that the interest rates were high as a result high interest rates charged by banks discouraged them from obtaining loans as repayment of high interest and principle eroded their profits, according to Muchoka (2014), due to high interests SMEs tend to shy away from obtaining banks as they feel they would be working for banks and not themselves as the make loan payments. Cook and Nixson (2000) noted that interest rate is a challenge in many third world countries and is a topic of discuss. According to the findings, SMEs set up over five years have a far superior opportunity to prevail in their credit applications unlike those that have been doing business less than five years.

Many SMEs in Matero felt to some extent credit did have an impact and to some extent it did not have a positive effect on the business (Rossi, 2016). Some SMEs owners stated that they mostly depended on their personnel savings as banks denied them access to loans and due to lack of funding they feel credit does not have a positive effect on the business as they have never obtained a loan before. Their survival has been through other sources rather than credit, and that statistics revealed that 70% of them have never obtained a loan from a bank or any financial institution. While 30% of the applicants were successful, however majority that were successful were those applying as a group and not in their individual capacity. This survey result revealed that SMEs in Matero suffer from shortage of credit in spite of the presence of numerous indigenous financial institutions that extend credit facilities.

LOAN TERMS AND CONDITIONS

67% of the research population stated that the nature of the requirements demanded by banks were prohibitive for an individual or SMEs operator to obtain a loan. On the other hand, 33% felt the eligibility requirements were okay. Most SMEs operators regarded the terms and conditions as being restrictive as they were too many and SMEs failed to meet all of them.

LOAN APPLICATION

The study revealed that the SMEs operators in Matero loan applications to financials were strongly declined on grounds of the SMEs operator not having an asset to present as collateral covering 30% of the sample followed by bad credit score 24% and failure to meet the financial institutions lending criteria 19% as well as too high loan amount that represented 15% respondents. However, too much debt and insufficient debt were the lowest 5% and 7% respectively.

The SMEs operators were asked to state their major sources of funding for working capital. The study established that most SMEs in Matero depend on their personal saving as their source of finance which is 33% of the types sources of funding available. Followed by retained profits of SMEs which was 16%. Bank loan and MFIs only covered 11% and 8% respectively, this indicates that many SMEs in Matero lack access to credit facilities from financial institutions as a result they resort to other means of financing.

LEVEL OF AWARENESS

Concerning the level of the awareness among the SMEs operators in Matero, 67% had no idea that there are government supporting programs while 33% were aware. among the support programs that exist be it private or government, small enterprise development board (SEDB) and CARE Zambia were the only supporting programs a few of the respondents knew.

ANALYSIS BASED ON FACTORS AFFECTING ACCESS TO CREDIT

The study was set to determine factors affecting access to credit by small and medium enterprises in Matero. A regression analysis was run to determine if collateral, interest rates, firms age education levels and loan terms and conditions determines access to credit.

Dependent Variale: Accessibility

Method: Least Squares

Date: 12/12/21 Time: 22:22

Sample: 240

Included observations: 240

International Journal of Advances in Engineering and Management (IJAEM)
Volume 5, Issue 3 March 2023, pp: 1803-1811 www.ijaem.net ISSN: 2395-5252

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.685412	5.468984	10.858292	0.0000
Collateral	0.093081	0.001040	1.148573	0.0259
Interest rates	0.013960	0.002973	-2.156340	0.0359
Firms age	-0.043693	0.002626	2.528804	0.8974
Loan Terms and Conditions	-0.125690	0.001094	6.589131	0.0000
Education levels	-0.019842	0.003636	3.302311	0.0227

R-squared	0.749368	Mean dependent var	100.5000
Adjusted R-squared	0.701586	S.D. dependent var	65.3723
S.E. of regression	42.94796	Akaike info criterion	10.46986 1
Sum squared resid	355238.5	Schwarz criterion	10.55687 7
Log likelihood	-1041.383	Hannan-Quinn criter.	10.50492 2
F-statistic	43.09238	Durbin-Watson stat	1.523270
Prob(F-statistic)	0.000000		

INTERPRETATIONS

In order to determine the existence of autocorrelation in the study the Durbin-Watson stat is used, when the Durbin-Watson value is 2 this implies there is no autocorrelation. However, when the value is between 0 and 2 its means there is positive autocorrelation in the variables while a figure between 2 and 4 shows a negative autocorrelation. From the table above the Durbin-Watson is 1.523 this means there exist a positive autocorrelation. The R-squared is 0.75 indicates 75% of the variation in the factors affecting access to credit among SMEs in Matero are due to variables under study, whereas 25% accounts for other variables not in the study. A correlation coefficient R of 0.75 illustrates a strong positive relationship between the variables. Thumb rule for probability is 0.05, when an SMEs is acquiring a loan from a financial institution collateral and level of education are Significant. The table above shows that firm age is insignificant as it is above 0.05 whereas interest rates and loan terms and conditions are significant to the dependent variable.

VIII. SUMMARY OF FINDINGS

The study concluded that the SME's profile indeed affected an SMEs from obtaining credit facilities as banks look at the age of the owner, the firms ages, gender and education levels and education levels are very vital with regard access to finance (Chowdhury, 2017). According to Shikumo (2016), a good portion of the funds used by SMEs to finance their business comes from their personal saving, relatives, relatives, family and friends (Shikumo, 2016) this proves that credit has little impact on the growth and survival of the business if the business is able to fund it throughout its economic life, despite that growth among the sector is dwarfed, and most of the members as noticed easily run bankrupt.

As it was discovered that majority of the SMEs were using their personal saving and mostly retained earnings as alternative sources of finance and only a few number of SMEs in Matero were depending on banks and nonbanks for financial assistance; the reasons were that and as noted and as stated by Chowdhury (2017), short repayment period, collateral requirements, high interest rates, unfavorable terms and banks borrowing terms and cumbersome procedure has been the cause of most SMEs failure to go for formal sources of funding.

The SMEs operators stated that they were subjected to stiff loan terms and conditions who made most of them shy away from obtaining loans from banks. It was observed that a large number of SMEs in Matero fail to meet the set eligibility requirements of lending financial institutions this reduced their chances of obtaining a loan. A study by Agyapong & Darfor (2011), showed that purpose of the loan, performance on previous loan repayment, credit history, nature of business, loan amount and pledged collateral ranked highest on banks set criteria.

EVALUATION OF HYPOTHESIS

H1: Lack of access to credit facilities affects SMEs growth and survival.

The study has revealed the SMEs in Matero lack access to credit facilities from both banks and nonbanks financial institutions due to collateral, interest rates loan terms and conditions as well the SMEs profile so a result of the finding we reject this hypothesis.

IX. CONCLUSION

The study sought to explore the factors that affect SMEs in accessing loan from financial institutions in Matero market. The factors revealed by the study includes; inability of SMEs to provide collateral, interest rates, stiff loan terms and conditions and SME's profile. Based on the responses received through the questionnaires circulated, it is evident that SMEs in Matero like most SMEs in Zambia and other countries are faced with major challenges in accessing credit.

X. RECOMMENDATIONS

Since literacy levels of an SMEs owner matters, financial institutions should provide training programs so they can enhance SMEs management skills by continuously educating them on how to manage finances, prepare books of account, prepare income and expenditure statements and how to prepare budgets. In as much interest rates are influenced by other factors like Central bank MPR and the collateral presented by the SMEs banks should try charge minimal so as to encourage SMEs to borrow. Banks should consider being flexible on collateral requirements as to help close the gaps of financial exclusion they can achieved by allowing different SMEs to guarantee each other for a loan through these the demand for collateral security will reduce and thus increase the chances of credit access. Or they can design products for SMEs were collateral requirements are minimal. It was discovered that a lot of SMEs in Matero are not aware of government supporting programs, government should at least be visiting trading places like Matero and hold meeting with traders explaining to them supporting programs that they have put in place to help SMEs grow their businesses.

REFERENCES

- Aladejebi, D. O. (2019). Determinants of Lending to small and medium Enterprises by Deposit Banks in Nigeria. THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT, 7(3), 121-130.
- Chilembo, T. (2021). A Study of the Factors Affecting Small and Medium Enterprises (SMEs) Access to Finance.A Case of Lusaka Based SMEs. American Journal of Industrial and Business Management, 437-460.
- Chowdhury, M. (2017). Factors Affecting Access to Finance of Small and Medium. Retrieved from https://www.google.com/search?client=firefox-b-d&q=Factors+Affecting+Access+to+Finance+of+Small+and+MediumEnterprises+%28SMEs%29+of+Bangladesh
- Fisher, C. (2010). Researching and Writing a Dissertation: an Essential Guide For Bussiness Student. London: Library of Congress.
- Gichuki, J. A. (2014). Challenges F acing Micro and Small Enterprise in Acessing Credit Facilities in Kangemi Harambee Market in Nairobi County Kenya. International Journal of Scientific and Research Publications,.
- Mackinon, T. (2020, June 23). Sample Frame and Sample Eror. Retrieved from https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwjh-KmjuaD0AhVMgv0HHb4OAiIQFnoECAYQAQ&url= https%3A%2F%2Fwww.geopoll.com%2Fblog%2Fsample-frame-sample-error-research%2F&usg=AOvVaw0l_cMZ-84K80QDuCDnjSIW
- Mulenshi, C. (2017). Factors Affecting The Growth Of Small and Meduim Sized Enterprises: The Case Of Lusaka Based SMEs. Lusaka: The University Of Zambia.
- Muyasani, K. (2016). THE CHALLENGES FACED BY SMALL & MEDIUM ENTERPRISES (SMEs) IN OBTAINING CREDIT IN ZAMBIA. Retrieved from http://155.0.3.194:8080/jspui/bitstream/123456789/418/1/THE%20CHALLENGES%20FACED%20BY%20SMALL%20%26%20MEDIUM%20ENTERPRISES%20%28SMEs%29%20IN%20OBTAINING%20CREDIT%20IN%20ZAMBIA.pdf
- Nachibanga, G. H. (2014). Analysis of financial barriers to indigenous enterprise formation on the Copperbelt Province. Retrieved from https://www.grin.com/document/284089

- Ndungu, C. w. (2016, Octomber). FACTORS AFFECTING CREDIT ACCESS AMONG SMALL AND MEDIUM ENTERPRISES IN MURANG'A COUNTY. Retrieved from http://erepository.uonbi.ac.ke/bitstream/handle/11295/98555/Ndungu%20Catherine_Factors%20Affecting%20Credit%20Access%20Among%20Small%20and%20Medium%20Enterprises%20in%20Murang%E2%80%99a%20County.pdf?sequence=1
- Phillips, C. a.-P. (2007). Enterprise Development in Zambia: Reflections on the missing middle. Journal of International Development, 793-804.
- Rose, P. S. (2008). Bank Management & Financial Services. Singapore: McGraw-Hill.
- Sarbah, I. Q. (2014). ASSESSING ALTERNATIVE SOURCES OF FINANCING FOR SMALL & MEDIUM SCALE ENTERPRISES IN GHANA. International Journal of Advancements in Research & Technology,, 124-136.
- Sathye, M. J. (2001). Credit Analysis & Lending Management. Canada: John Willey & Sons.
- Shikumo, D. H. (2016). Determinants of Lending to Small and Medium Enterprises by Commercial Banks in Kenya. IOSR Journal of Economics and Finance (IOSR-JEF), 57-63.
- Vuvor, J. A. (2011). The Challenges faced by Small & Medium Enterprises (SMEs) in. Retrieved September 22, 2021, from https://www.diva-portal.org/smash/get/diva2:829684/ FULLTEXT01.pdf.