

THESIS

**PROBLEM ANALYSIS OF SMALL AND MEDIUM ENTERPRISES  
(SMEs) IN LIBERIA: ACCESS TO FINANCE PERSPECTIVE**



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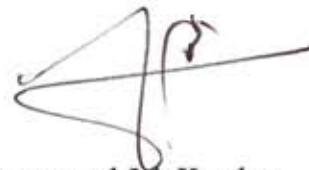
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## DECLARATION

This project is exclusively the hand work of Mr. Emmanuel J. Kaydor. All information provided in this project emanate from the researcher knowledge about SMEs status in Liberia and data gathered from respondents relative to the research question. Quotations made in this project where gathered from SMEs literature written by other scholars who propounded their view of Small and Medium Enterprise. And that secondary data was retrieved from Access Bank, analyzed and presented in responds to the research question.

Yogyakarta, 21 January 2016

A handwritten signature in black ink, consisting of a stylized 'E' followed by a cursive 'J' and 'K', with a horizontal line extending to the right.

Emmanuel Jah Kaydor

## **ABSTRACT**

Despite the vast research by local and international institutions on problems and challenges faced by businesses in Liberia, little is known about Small and Medium Enterprise (SMEs) access to finance problem. Thus, the study provides a comprehensive discussion of the problem of access to finance facing small and medium enterprises (SMEs) in Liberia. Access to finance has been identified as one of the major factors that impede the growth of SMEs. The problem of access to finance, gap and the reason has been discussed. Gaps in SME financing were discussed in relation to Stiglitz and Weiss (1981) credit rationing theory which advocates that agency problems and asymmetric information are the main reasons for the credit rationing behaviors of credit providers to SMEs. The study also identifies the gap and explored means of bridging the gap which limit SMEs' ability to access finance from financial institutions and banks within the borders of Liberia.

The study revealed that access to finance problem facing SMEs has limited its potential to create employment and alleviate poverty. Data analyzed indicates that lack of collateral has emerged as a major problem facing SMEs in the country. Therefore, it is recommended that policies aimed at solving access to finance challenges in Liberia as well as those proposed by the researcher must be implemented and empirically tested on a regular basis and progress in that regard must be constantly monitored and revised to eradicate the problem.

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## ATTACHMENT

- 1 Questionnaire
- 2 Data

