

The Role of Financial and Non-Financial Institutions in Promoting Entrepreneurship in Micro small and Medium Enterprises

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Abstract : The importance of the Micro, Small, and Medium Enterprises sector is well recognized for its legitimate contribution to the Macroeconomic objectives of the Republic of Liberia, like generation of employment, input t, exports, and enhancing entrepreneurship. Right now, Medium and Small enterprises accounts for about 99 percent of the industrial units in the country, contributing 60 percent of the manufacturing sector output and approximately one-third of the nation's exports. The role of various financial institutions like ECO bank and Non-financial Institutions like Bearch Limited support promoting the growth of Micro, Small, and Medium Enterprises is unique. A small enterprise or entrepreneur gets many types of assistance from different institutions for varied purposes in the course of his entrepreneurial journey. This paper focuses on the factors related to financial institutional support and non-financial institutional support entrepreneurs to the growth of Medium and Small enterprises in the Republic of Liberia. The significance of this paper is to support Policy and Institutional Support for Medium and Small enterprises to know the views of entrepreneurs about financial and non-financial support systems in the Republic of Liberia. This study was carried out through a survey method, with the use of questionnaires. The population for this study consisted of all registered Medium and Small enterprises which have been registered during the years 2004-2014 in the republic of Liberia. The sampling method employed for this study was a simple random technique and determined a sample size of 400. Data for the study was collected using a standard questionnaire. The questionnaire consisted of two parts: the first part consisted of questions on the profile of the respondents. The second part covers (1) financial, promotional factors and (2) non-financial promotional factors. The results of the study are based on financial and non-financial supporting activities provided by institutions to Medium and Small enterprises. After investigation, it has been found that there is no difference in the support given by Financial Institutions and non-financial Institutions. Entrepreneurs perceived "collateral-free schemes and physical infrastructure support factors are highest contributing to entry and growth of Medium and Small enterprises.

Keywords : micro, small, and medium enterprises financial institutions, entrepreneurship

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