

The role of commercial bank in financing small and medium enterprises: Evidence from Majmaa city during 2020- 2021

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Abstract: This research aims to study the role of commercial banks in financing small and medium enterprises in the Kingdom of Saudi Arabia. The small and medium enterprises sector considered as an important sector in the national economy, due to its contribution to providing jobs, and an Increasing in Individual Income. The study assumes a statistically significant relationship between the financing of commercial banks and small and medium enterprises.

In this research, the descriptive- analytical approach was used for obtaining the relevant primary data. In this regard, the researchers have designed a questionnaire to collect the necessary answers to study the variables of the study and test the study hypotheses. Moreover, the other approach that the researchers relied on is the deductive approach, where information deduced from original sources and references. The Important results we have achieved here, Small and medium enterprises Provides estimated percentage of employment, the financing provided does not comply with the client's requirements, and the conditions imposed by commercial banks on projects are intractable.

The most important recommendations is, an Increasing the amount of financing provided to small and medium enterprises, Facilitating the conditions for granting loans to small and medium enterprises, and The state and official bodies must sponsor this type of project so that it can exercise its active role in the society

Keywords: Financing- Small and medium enterprises – Employment.

دور البنوك التجارية في تمويل المشاريع الصغيرة والمتوسطة: دراسة تطبيقية على مدينة المجمع للفترة 2020 – 2021م

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المستخلص: هدف هذا البحث لدراسة دور البنوك التجارية في تمويل المشاريع الصغيرة والمتوسطة في المملكة العربية السعودية ويعتبر قطاع المشروعات الصغيرة والمتوسطة قطاعاً هاماً في الاقتصاد الوطني وذلك لمساهمته في توفير الوظائف وزيادة دخول الأفراد أيضاً، وتفترض الدراسة وجود علاقة ذات دلالة إحصائية بين تمويل البنوك التجارية والمشاريع الصغيرة والمتوسطة، وقد اعتمد الباحثان

المنهج الوصفي التحليلي للحصول على البيانات الأولية ذات الصلة وقد قام الباحثان بتصميم استبانة لتجميع الإجابات اللازمة لدراسة متغيرات مشكلة الدراسة واختبار الفرضيات، واعتمدت الدراسة على العينة العشوائية وتكونت من المنشآت الصغيرة والمتوسطة وعددها (25) منشأة، كما اعتمد البحث على المنهج الاستنباطي لاستنباط المعلومات من المصادر والمراجع الاصلية للمعلومة. ومن أهم النتائج التي توصلنا إليها أن المشروعات الصغيرة توفر نسبة مقدره من التوظيف، إلا أن التمويل المقدم للمشروعات غير كافٍ، وكذلك شروط تمويل البنوك للمشروعات تعتبر مستعصية. وفي ضوء النتائج أوصى الباحثان بزيادة حجم التمويل المقدم للمشاريع الصغيرة والمتوسطة، وتيسير شروط منح القروض للمشروعات الصغيرة والمتوسطة، وكذلك لابد للدولة والجهات الرسمية من رعاية هذا النوع من المشروعات حتى تمارس دورها الفاعل في المجتمع.

الكلمات المفتاحية: تمويل - مشروعات صغيرة - توظيف.

Introduction.

The various groups of society suffer from poverty, low incomes and unemployment, and commercial banks have an important role in economic activity as they seek to provide services to individuals by providing them with loans and other services, hence the role of commercial banks to support small and medium enterprises carried out by individuals. Also, this type of project increases the income of individuals on the one hand and provides jobs for these individuals on the other hand (Abbas, 2020). However, there are some problems facing these projects, hence the role of this research in highlighting these important points.

The problem of the study:

- The commercial banking sector contribute to financing small and medium projects, and that contribute to providing jobs and Made an Increasing in Individual Income

Significance of the study:

- There is a positive relationship between the financing of commercial banks and small and medium enterprises
- There is a positive relationship between the financing of commercial banks for small and medium enterprises and the volume of employment.
- There is a positive relationship between the financing of commercial banks for small and medium enterprises and the Individual Income.

Objectives of the study:

1. Providing jobs and alleviate the problem of unemployment.
2. Knowing the extent of the commercial banks' financing of small and medium- sized enterprises.
3. Made an Increasing in Individual Income.

The importance of the study:

The importance of choosing the topic highlighted in the following points:

- The importance of financing for small and medium enterprises.
- The importance of small and medium enterprises in providing jobs and alleviating the problem of unemployment.
- Promote the relationship between commercial banks and small and medium enterprises.

Research materials and methods.

The researchers used the descriptive- analytical approach to describe the extent to which commercial banks finance small and medium- sized enterprises, the extent to which they contribute to increasing employment, and some of the difficulties facing this type of enterprise.

Search divisions:

In order to solve the problem and ensure the correctness or error of the previous hypotheses, the researchers divided the research into three axes, which deals with:

The first axis- The characteristic of small and medium enterprises.

The second axis- the role of commercial banks in financing small projects.

The third axis- An analytical study emerging financing problems of small and medium enterprises.

Literature review:

Al- Ayeb Yassin, the problem of financing small and medium enterprises, a case study of small and medium enterprises in Algeria, and this thesis submitted to obtain a doctorate in economic sciences, University of Mentouri, Constantine, Algeria, 2010- 2011.

The study aims to shed light on various reforms and measures known by the State to address financial imbalance small enterprises and medium- sized and research various problems affecting the financial behavior and then search the specific factors for source funding.

This study aims to shed light on the various reforms adopted by the state to address the financial imbalance of small and medium enterprises and to research the various problems that affect their financial behavior, and then research the determinants of funding sources.

In its approach, this study relied on two approaches: First, the descriptive approach by describing some concepts such as: concepts about small and medium enterprises and their sources of financing. Second: the analytical approach by analyzing the results obtained in financing small and medium enterprises.

The study reached several results, the most important of which is that financing is still characterized by a great narrowness in the diversity and multiplicity of its services. Therefore, we find that small and medium enterprises, in addition to their financial specificity towards modern financial theory, also have the specificity of the narrowness of the sources of funding and the direction of many other obstacles that directly affect in obtaining adequate financing.

Osama (2017) identify the role of commercial banks in financing small and medium enterprises in Jordan, in addition to knowing the challenges facing commercial banks in financing small and medium-sized enterprises. This study relied on the analytical descriptive method by designing a questionnaire and distributing it to the study sample, which consisted of (200) individuals who work in the administrative, accounting, credit and customer service departments in four commercial banks represented in: Arab Bank, Housing Bank for Trade and Finance, and Cairo Amman Bank and the Jordan National Bank. This study was applied to the branches of these banks in each of: Mafrq Governorate, Irbid Governorate and Karak Governorate, with (50) questionnaires for each bank. The study concluded that there is a role for commercial banks in financing small and medium- sized enterprises in Jordan, in addition to the presence of a set of challenges that these banks face in financing small and medium- sized enterprises. and expected returns

The first axis- The characteristic of small and medium enterprises:

First: Definition of small enterprises

- There is no specific definition of small enterprises or it can be generalized to all small enterprises because this is affected by the geographical, economic, social and political aspects.
- There is also no separation between small, medium and large enterprises.
- It taking into account the principles when defining small enterprises, including the financial capacity, the size of the capital, the ownership and independence of the employer, the number and efficiency of workers, the legal status of the institution and the type of work it does.

The Saudi Monetary Agency defines small enterprises as:

They are institutions of individual ownership, and those administrative decisions are made by the owner- manager and often they are the founder of the project, and that they absorb a small percentage of the market share and the number of workers in them does not exceed twenty workers, and the capital does not exceed ten million SAR or equivalent. As for the industrial countries where the size of the institutions and the capital is greater than in the third world countries, the research finds that the number of workers in small enterprises is about 100 workers and the capital reaches one hundred million riyals, such as Germany and Japan.

As for the management of the institution, it often includes the owner of the institution and some managers specialized in management, such as the director of marketing and finance and others.

- There are some small enterprises in industrialized countries equivalent to the size of large companies in some developing countries.

From this definition, it becomes clear that there is a set of common standards that help in reaching a relatively common concept for small and medium enterprises, and some of these standards are quantitative and some are qualitative.

- Quantitative criteria: concerned with classifying enterprises based on a set of quantitative features that highlight the differences between the different sizes of projects such as the volume of employment, the value of assets, the volume of sales, the volume of the annual consumption of raw materials and the amount of value- added.
- Qualitative criteria: concerned with objectively classifying enterprises based on the main operating elements such as management style, ownership and technology used.
- The difference between micro- enterprises and medium- sized:

enterprises small enterprises have an average number of workers from 1- 10, and the capital does not exceed one million riyals. In both small and micro enterprises, the manager is the owner.

As for medium- sized enterprises, the number of workers in them ranges between 20- 50 workers, and the capital may reach fifty million riyals, and they often have more than one owner (Arab, 2008).

Small enterprises can also be defined as "small (and medium) enterprises that are characterized by low capital, fewer workers, small sales volume, and low energy needed to operate them. And It is characterized by its close connection with the environment and its reliance on services available locally and on the disposal and marketing of its products in the same region in which it originates and the adjacent areas (Al- Omari, 2014).

Second: Definition of Saudi Credit and Saving Bank

The projects with fewer than 10 employees, which have total assets other than real estate assets to less than a million Saudi riyals.

Due to expansion areas, small enterprises come in all shapes, sizes and specializations, this leads to a difference in the size of the capital and the number of workers in it, some of them need a large capital, such as the jewelry industry and the manufacture of specialized chemicals, and some of them do not require huge capital. But rather a number A large number of labor, such as services in general, in the work of loading and unloading (Attia, 2002).

Areas of small enterprises are wide, and those are some examples of them:

- Medical clinics.
- Private schools.
- Travel and tourism agencies.
- Food enterprises.
- Clothes and shoes exhibitions.
- Crafts and handicrafts (Arab, 2008).

Third: The advantages of small enterprises

The benefits of small and medium- sized businesses are as follow:

- Small businesses are characterized by easily investable capital.

- These small businesses have a small turnover.
- The employees recruited are of average salary and have a family relationship within the company.
- Decision- making is much faster than in large companies.
- The possibility of contributing to the problem of unemployment.
- The possibility of motivating the villagers in many villages and rural areas and helping them to start work in industries and simple trade.
- The possibility of obtaining an average individual income.
- Ease of establishment and incorporation.
- Attract savings.
- Create job opportunities.

second: The problems that small and medium enterprises may face:

- Rise of competition and weakness Possibilities and Capacity marketing.
- Link projects financing is small in the sense of aid and Donations.
- Credibility and doubt in a project financed from Boxes borrowing.
- Not Presence Programs Lendable On Provide chances a job perfect and ready Insurance against twists Economic Market
- Poor access to remote and decentralized communities.
- Some projects stumbled due to the lack of valid feasibility studies.
- The lack of experience of the owners, due to some having their practical experience for the first time, constitutes an obstacle, especially in the basics of banking transactions.
- The short period of project financing compared to the time needed to rehabilitate local communities to be able to self- manage these projects (Naseer, 2007).

The second axis- The role of commercial banks in financing small projects:

In this section we will discuss Commercial banks' financing strategy, The most important components of the financing strategy, Methods of financing small and medium enterprises by the Commercial Banks and The relationship of commercial banks with small and medium enterprises.

Commercial banks' financing strategy.

Funding strategy:

The function of financing is not limited to cash management only. Rather, it is also used in decisions related to capital investments for each business unit that wants to own an increase in the internally generated cash against the needs to be spent on to allow it to invest, and therefore the cash increase according to this method is very high. The purpose of the financing function in business organizations is to estimate Providing and employing financial resources in line with the organization's mission and strategic objectives in general, and in a manner that achieves high- performance efficiency in particular, and the current administration can follow a selection of strategies that cover all areas related to the financing function represented in determining the necessary funds and investments, planning and controlling financial operations, and making their own decisions.

The most important components of the financing strategy are:

- A. Awareness of the nature of the current financial markets, and the financing opportunities available to choose from, to reduce risks and increase returns whenever possible.
- B. Setting standards to determine the quality of the investment.
- C. Determining the rights of owners and the policy of distributing profits.
- D. Determining profitability criteria through the return on assets index, return on investment, profit margin from sales and rate of return on equity...etc.

It has become necessary for banks, in the context of their continuous endeavor to strengthen their competitiveness and face the challenges of the era of globalization, to seek to provide innovative financing services by diversifying the fields of employing their resources on the basis of the various needs of customers. The most important fields that are a fertile field for the development of the financing activity of banks (Al- Douri, 2005)

Considering that commercial banks constitutes the majority of the institutional fabric in most countries, the following requirements must be met:

- Adapting the administrative levels for studies and decision- making to achieve efficiency and effectiveness by paying attention to:
- Providing tools and foundations for managing loans.
- Develop and develop administrative capacities to analyze the risk of providing loans to small enterprises.
- Preparing the default policy for the bank in line with the general objectives established.
- Working on the distribution of credit risk on various economic activities.
- Urging the establishment of venture capital institutions and leasing finance institutions.

- Accompanying and permanently assisting small enterprises, especially in the following fields:
 1. Entering into cooperation and partnership projects.
 2. Restructuring and getting out from the stumbling (Omran, 2006).

Methods of financing small and medium enterprises by the Commercial Banks:

Commercial banks are considered as the main financiers of small and medium enterprises in Saudi Arabia, and you can finance your small business through banks in three ways:

First- Direct personal financing with providing the necessary guarantees for payment.

Second- Financing for Small and Medium Enterprises.

This financing is subject to the conditions of the bank and may take different forms and forms according to the bank's policy and programs, such as Murabaha (financing the purchase of goods and products for (your project), a partnership between the two parties in risks, profit and loss), Tawarruq, Istisna' financing, or short- term financing necessary for working capital, and others.

Third- Funding through the Kafalah Program

This program was established with the support of the Ministry of Finance and banks operating in Saudi Arabia, and its management was entrusted to the Saudi Industrial Development Fund. From the bank, after verifying its economic feasibility, your credit application is initially studied and evaluated by the bank based on its criteria. After approval, it is submitted to the Saudi Industrial Development Fund to issue a guarantee (Attia, 2002).

The Fund has full authority to approve or reject the issuance of the financing guarantee.

The most important requirements for banks to qualify for financing:

- Presentation of a license for the activity of the facility
- Existence of a commercial register
- Memorandum of Association of the company
- Lease contract for your activity headquarters
- Financial statements for your facility
- Business plan
- A copy of your ownership documents
- Economic feasibility study for the activity on it (Omran, 2006).

The relationship of commercial banks with small and medium enterprises:

SMEs are now the backbone of all economies due to their number and their ability to create jobs. They are real promoters of development and their expansion promotes economic growth. In this sense they have often, need to invest and innovate, hence the importance of questions relating to sources of financing.

Indeed, several recent studies have highlighted the weak growth of SMEs in general, which constituted a structural weakness of the economies¹. This weakness is explained, by the majority of established research in the field, by the difficulties encountered by SMEs in the search for suitable and sufficient sources of financing for their development.

The choice of a financial structure has long been one of the most delicate tasks in the decision-making process of companies. This is a problem that seems intimately linked to three fundamental concepts, namely: the notion of financing decision, that of the value of the firm, and that linked to the identification of the risk associated with the act of financing.

In this respect, the behavior of companies in matters of indebtedness was at the center of a long theoretical debate, the objective of which was to be able to dictate certain general rules of optimal management of financing resources in such a way as to maximize the value of the company. However, the challenge of such a theoretical debate is not limited to identifying the determinants of corporate financing choices, but it attempts to reveal the ability of modern financial theory to take into consideration the financial reality of SMEs. This entity which does not fit perfectly into the founding theoretical framework of the financial literature, and its specificity demands that it be taken into account as an object of research.

Indeed, Aug (1991) 2 specified that agency relations, information asymmetries and bankruptcy costs are the main characteristic variables of the financial structure of SMEs. Their impact is reflected in the phenomenon of rationing of stable financial resources, on the one hand, and on the other hand, the existence of micro and macro- economic constraints in the access of SMEs to bank loans.

Therefore, obtaining the right form of financing, at the right time, from banks or lenders, or even having access to the financial market, is more difficult for SMEs than for large companies. and the growth of alternative sources of financing to bank financing, studies and research on the subject testify to the strong dependence of SMEs on debt financing and particularly bank debt.

Bank indebtedness can be defined according to two concepts:

- An etymological definition, which states that the word credit comes from the Latin "Credere", whose meaning is the confidence inspired by someone or something. Thus "To make credits is to trust, and to freely give effective and immediate disposal of real property or purchasing power, against the promise that the same property or an equivalent property will be returned within a certain period of time., most often with remuneration for the service rendered and the danger incurred, the danger of partial or total loss inherent in the very nature of this service".
- A legal definition, which presents the credit as being, "the commitment of the bank to make means of payment available to the beneficiary or third parties designated by him, competition for a certain amount of money.

From these two definitions, we note the presence of a number of characteristics specific to bank credit, namely: trust, time, promise or commitment, cost of service, and the notion of risk.

Similarly, the etymological definition of credit refers to a distinction between two forms of credit. Indeed, bank financing, also called undivided borrowing⁵, is distinguished by loans and credits.

A loan gives rise to an actual payment of the funds in one or more instalments, the reimbursement is made according to the terms of the agreements made between the bank and the borrower⁶. While the credit does not necessarily give rise to a payment of the funds, it can be in the form of an authorization that the borrower can use when needed. Therefore, bank credit encompasses both situations and can replace after bank financing.

Thus, based on the financial structure, bank financing can intervene to finance the investment cycle of the company as it can finance its operating cycle.

Bank financing of the investment cycle: faced with the insufficiency of own funds, of internal or external origin, necessary for the financing of the company's investment projects, bank financing is offered as an interesting solution, whose structural aspect will modify for a non-negligible period, the texture of the company's assets. Bank financing of the investment cycle, also called credit investment, is a long and medium-term loan, intended to finance an investment program whose purpose may be: the creation of a new unit, the renewal of the equipment fleet, the construction of an industrial unit, etc. many other elements including recognition is made at the top of the balance sheet. The granting of investment credit requires the follow-up of an approach and the use of certain techniques specific to each bank within the framework the procedures and circulars in force relating to the study of the feasibility of the project (investment program, financial autonomy, repayment capacity) and the nature of the guarantees.

Bank financing of the operating cycle: these are operating credits, the purpose of which is to meet temporary working capital needs due to discrepancies between the company's receipts and expenses which may lead to cessations of payment or disruptions in the activity. The company, relying on the resources of the credit supplier (insufficient to cover uses in inventories and customer receivables) or on inter-company credit, is unable to achieve the necessary optimization. Therefore, a combination of fairly long supplier lead times and the establishment of operating credit lines seems to solve the working capital problems. In this sense, two categories of operating credits can be distinguished:

- Operating credits by disbursement: which involve an effective disbursement of money, and ensure a relay in the collection of turnover? They can take various forms depending on the nature of the receivables negotiated and the type of customer concerned: commercial discount, factoring, credit for the mobilization of commercial receivables, cash loans.
- Operating credits by signature: group together the guarantee documents presented by the bank in favor of its customers, undertaking to guarantee the respect of the latter, of their commitments. These credits can be broken down into credits per disbursement in the event of default by their client, which explains the degree of risk of this financing. Several methods are possible such as: guarantees on public market, customs guarantees, guaranteed bonds,

- Other types of operating credit are offered by banks, for companies with foreign trade activities, these are pre- financing credit, documentary credit and debt mobilization credits born abroad.

Financing by leasing method: Leasing or leasing- purchase is a method of financing. At the end of the contract, the beneficiary company generally has the choice between several options, either to return the property, or to acquire it for an amount defined at the time of the conclusion of the contract, or to renew the contract under conditions most often less onerous.

The third axis: The field study:

The effects and difficulties of financing commercial banks for small and medium projects.

On the theoretical side, the researchers presented the most important aspects related to the financing of small and medium enterprises to deepen the understanding of these two variables, but the theoretical study remains incomplete without projection on the practical side. From a practical point of view, an applied role in the financing of small and medium enterprises will be studied.

In this chapter of the study, the role of commercial banks in financing small and medium enterprises will be measured, and the researches will clarify the study tool represented in the development and analysis of the questionnaire.

Field study procedures.

First: Study methodology:

To achieve the objectives of the study, the descriptive, analytical and inductive method was used, as they express the social phenomenon to be studied quantitatively and qualitatively.

Second: The study population:

The study community consists of small and medium enterprises in the city of Majmaah, and their number is (25) enterprises.

Third: The study sample:

The researcher distributed the questionnaire to a sample of 55 of the founders of the enterprises, their partners and their employees, and 48 questionnaires were retrieved from 2020 to 2021. The choice of the sample for the study is chosen according to previous studies and we quote the study by Abbas (2020) and Osama (2017).

Fourth: The study tool:

After reviewing the relevant studies, the researcher found that the most appropriate way to collect information is through a questionnaire. The questionnaire was designed following the objectives of the study as follows:

1. Preparing an initial questionnaire for use in data and information collection.
2. Presenting the questionnaire to the supervisor to test its suitability for data collection.
3. The questionnaire was distributed electronically to all sample members to collect the necessary data for the study.

The study tool consisted of two parts as follows:

The first part: a statement of total personal data, to clarify the characteristics of the research sample, including gender and educational level.

The second part: included statements that measure the variables of the study, and the questionnaire consisted of 10 paragraphs. Fifth: Presentation and analysis of data: The questionnaire included two parts, which are as follows:

1. The demographic characteristics of the study sample, which consisted of four paragraphs, namely (gender, educational level, enterprises activity, number of workers in enterprises).
2. Variables related to the financing of small and medium enterprises by commercial banks.

Statistical Analysis:

First: Personal Information

Gender of the founder of the enterprises:

The figure shows that the small and medium enterprises included in the questionnaire, 6% of them were established by women and 94% by men.

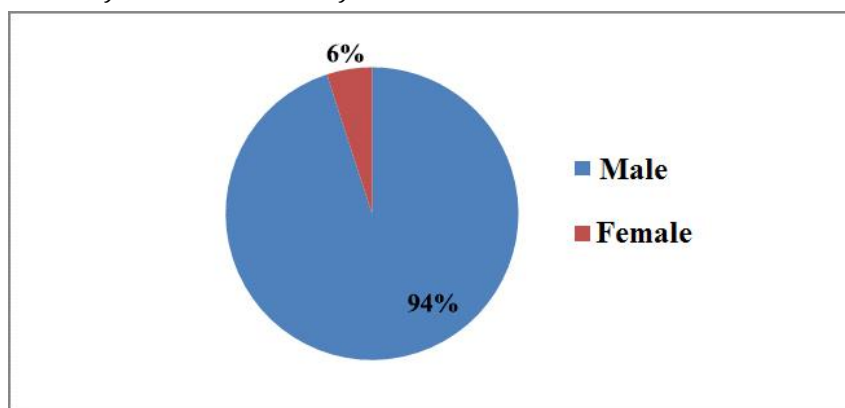


Figure (1): Statistical analysis of the field study

Table (1)

Gender	Frequency	Percentage
Males	45	94%
Females	3	6%

The educational level of the founders of the enterprises:

The figure shows that the percentage of founders with intermediate education is (15%), while the percentage of those with secondary education is (29%), while the percentage of those who have university level is (46%), and the percentage of those with postgraduate education is (10%).

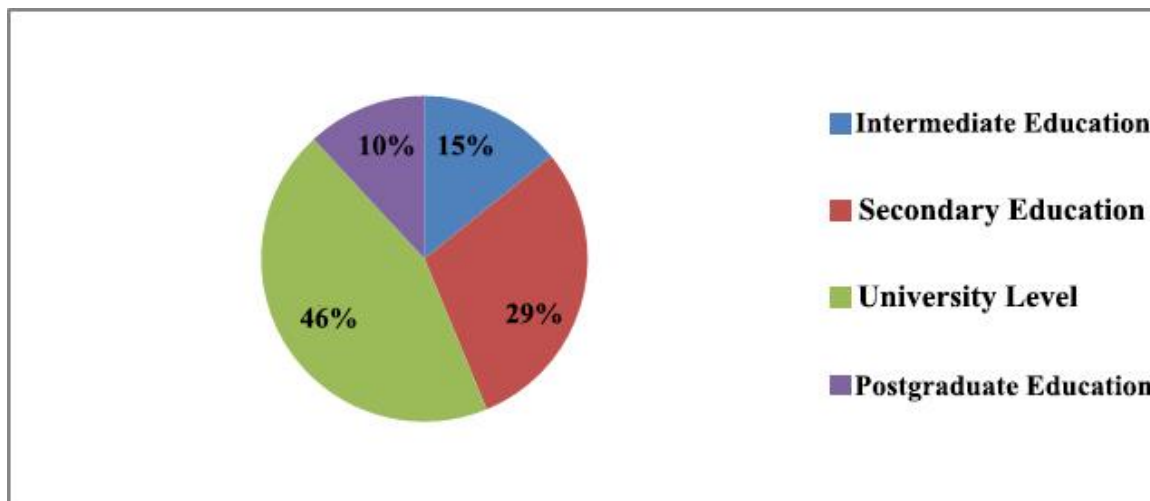


Figure (2): Statistical analysis of the field study

Table (2)

Academic qualification	Frequency	Percentage
Intermediate	7	15%
Secondary	14	29%
University	22	46%
Postgraduate Education	5	10%

Second: Basic Information

1. The activity of the enterprises:

The figure shows that the activity of wholesale/retail sale constituted the highest percentage (48%), followed by the activity of restaurants with a percentage of (35%), and the lowest activities were the health services activity by (15%) and the building and construction activity by (2%).

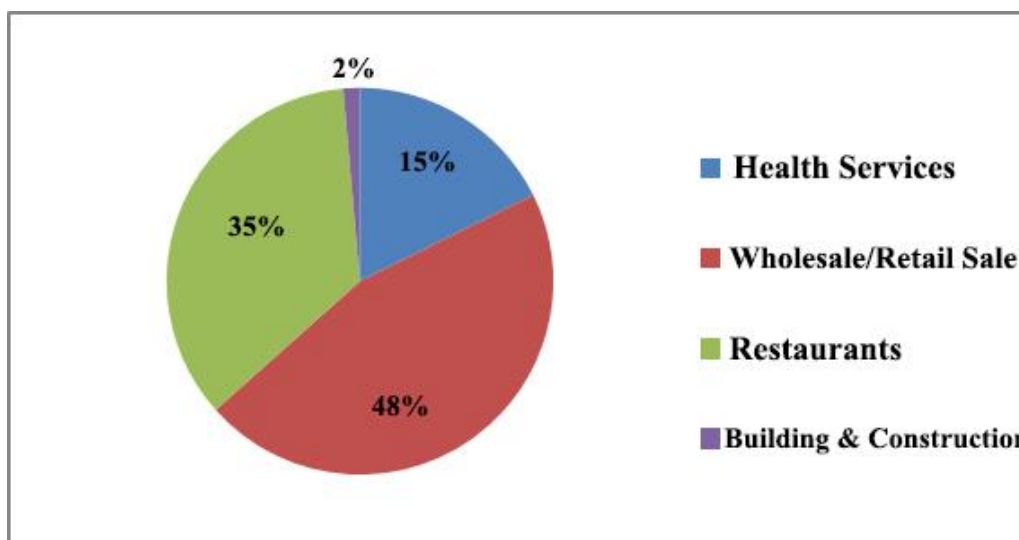


Figure (3): Statistical analysis of the field study

Table (3)

Enterprises Activity	Frequency	Percentage
Health services	7	15%
Wholesale/retail sale	23	48%
Restaurants	17	35%
Building and construction	1	2%

2. The number of workers at the enterprises:

It is clear from the figure that the percentage of enterprises managed by the founder alone is (11%), while the percentage of enterprises that have from 2 to 10 workers is (54%), and the number of enterprises that have from 11 to 30 workers is (33%). And the percentage of enterprises that have it from 40 to 50 is (2%) of the total enterprises included in the sample.

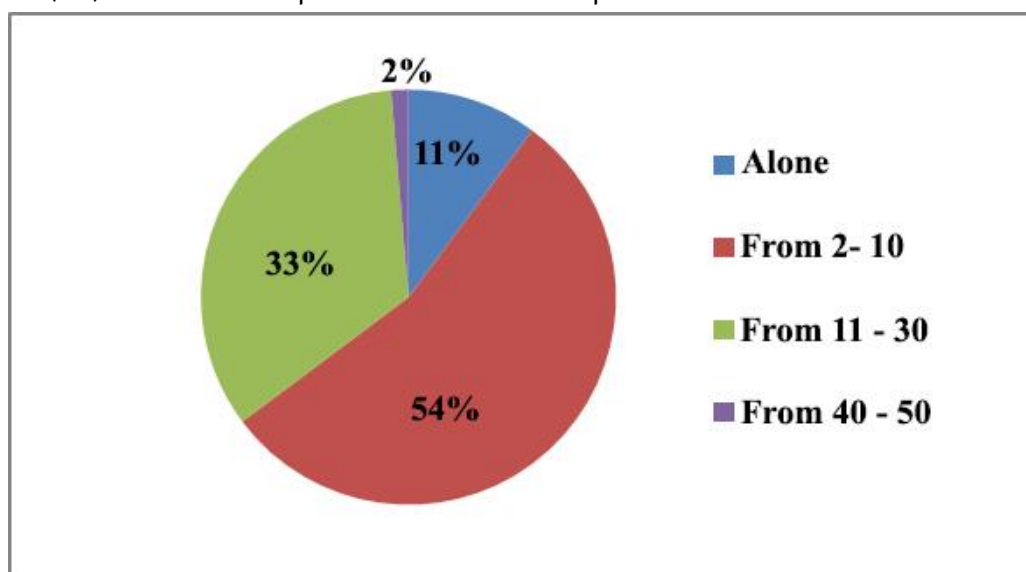


Figure (4): Statistical analysis of the field study

3. Financing small and medium enterprises in a timely manner that satisfies the client:

The figure shows the extent of satisfaction of the founders of the enterprises by (23%) strongly agree and (35%) agree (15%) neutral and (25%) disagree and (2%) strongly disagree.

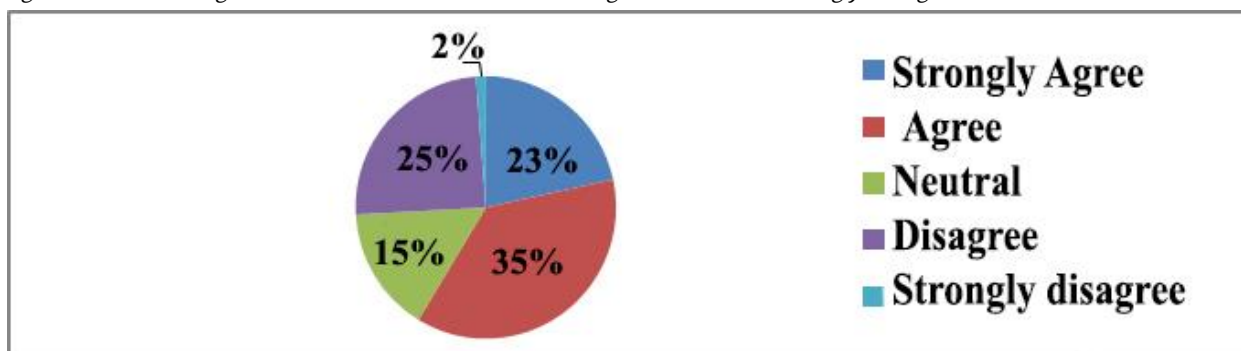


Figure (5): Statistical analysis of the field study

Table (4)

Category	Frequency	Percentage
Strongly agree	5	23%
Agree	19	35%
Neutral	10	15%
Disagree	12	25%
Strongly disagree	2	2%

4. The provided financing adapts with the client's requirements:

The figure shows the measure of the founders' satisfaction with the provided financing and its compliance with their requirements. The percentage of strongly agree is (10%), the percentage of agree is (40%), the percentage of neutral is (21%), the percentage of disagree is (25%), and the percentage of strongly disagree is (4%).

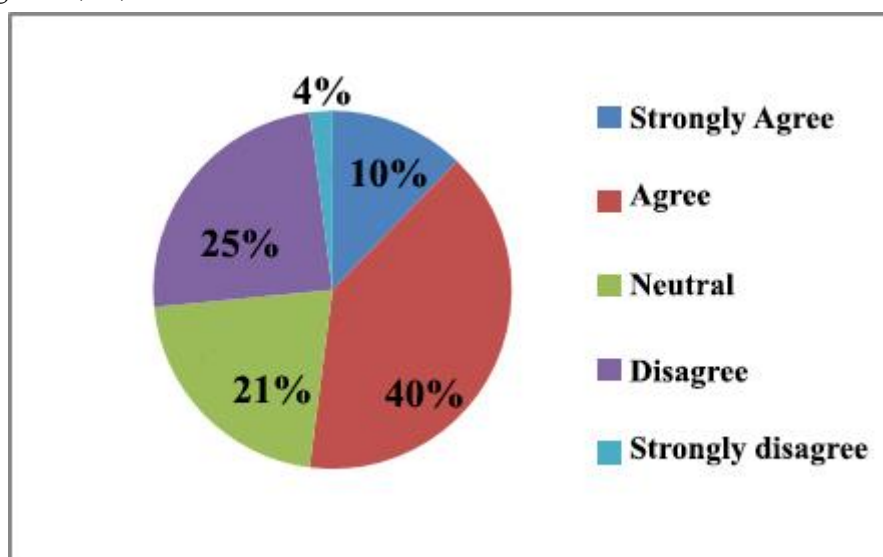


Figure (6): Statistical analysis of the field study

Table (5)

Category	Frequency	Percentage
Strongly agree	5	10%
Agree	19	40%
Neutral	10	21%
Disagree	12	25%
Strongly disagree	2	4%

5. The conviction of the founders of the enterprises with the provided funding:

The figure shows the extent to which the founders of the enterprises are convinced of the provided funding, with a percentage of strongly agree (8%), agree (65%), neutral (8%), disagree (15%), and strongly disagree (4%).

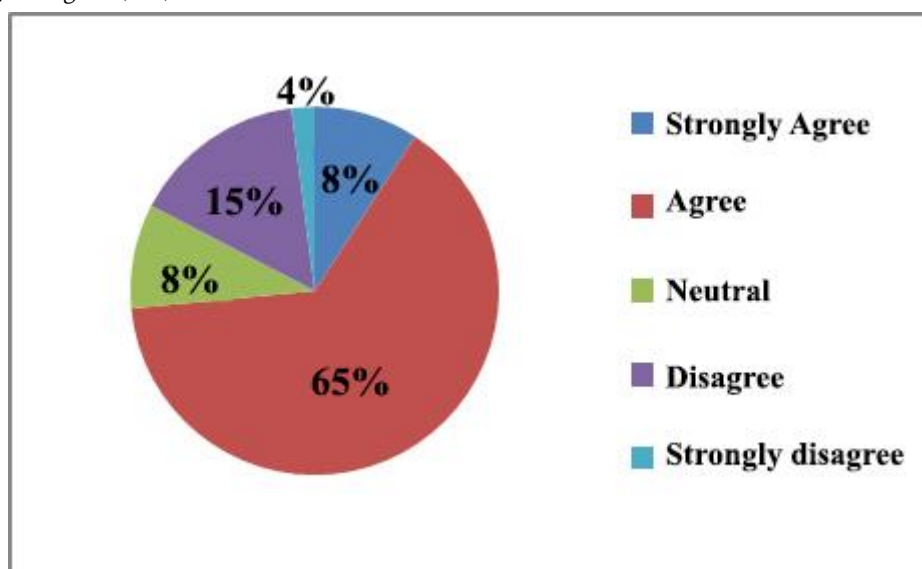


Figure (7): Statistical analysis of the field study

Table (6)

Category	Frequency	Percentage
Strongly agree	4	8%
Agree	31	65%
Neutral	4	8%
Disagree	7	15%
Strongly disagree	2	4%

6. Contribution of commercial banks in providing many bank loans to small and medium- sized enterprises:

The figure shows the extent to which the founders of the enterprises are satisfied with the banks' contribution, with a percentage of strongly agree (8%), a percentage of agree (44%), a neutral percentage (17%) and a percentage of disagree (25%) and a percentage of strongly disagree (6%).

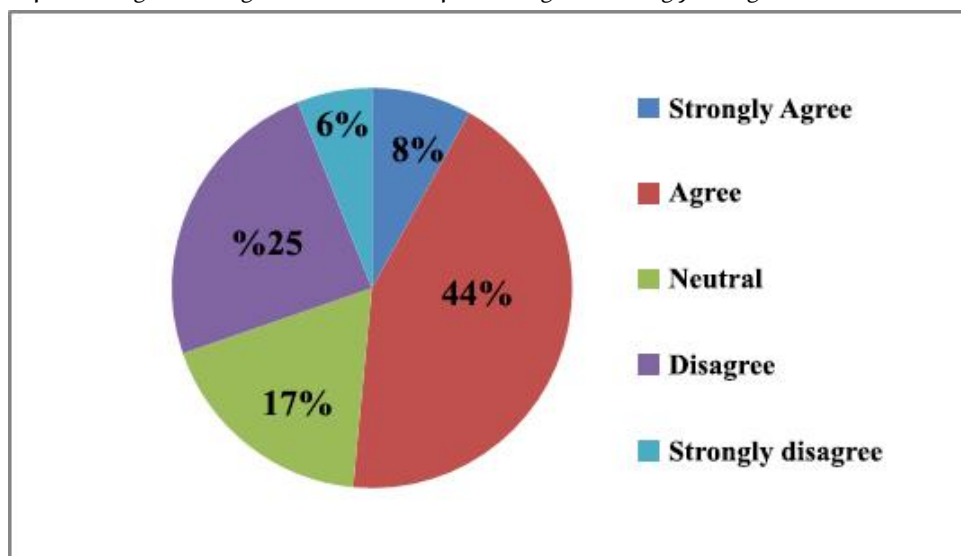


Figure (8): Statistical analysis of the field study

Table (7)

Category	Frequency	Percentage
Strongly agree	4	8%
Agree	21	44%
Neutral	8	17%
Disagree	12	25%
Strongly disagree	3	6%

There is funding for banks, but not enough.

7. The Bank provides limited financing for small and medium enterprises:

The figure shows the satisfaction of enterprises founders with the limited financing provided by the Bank, with a percentage of strongly agree (10%), agree (50%), neutral (15%), disagree (21%), and strongly disagree (4%).

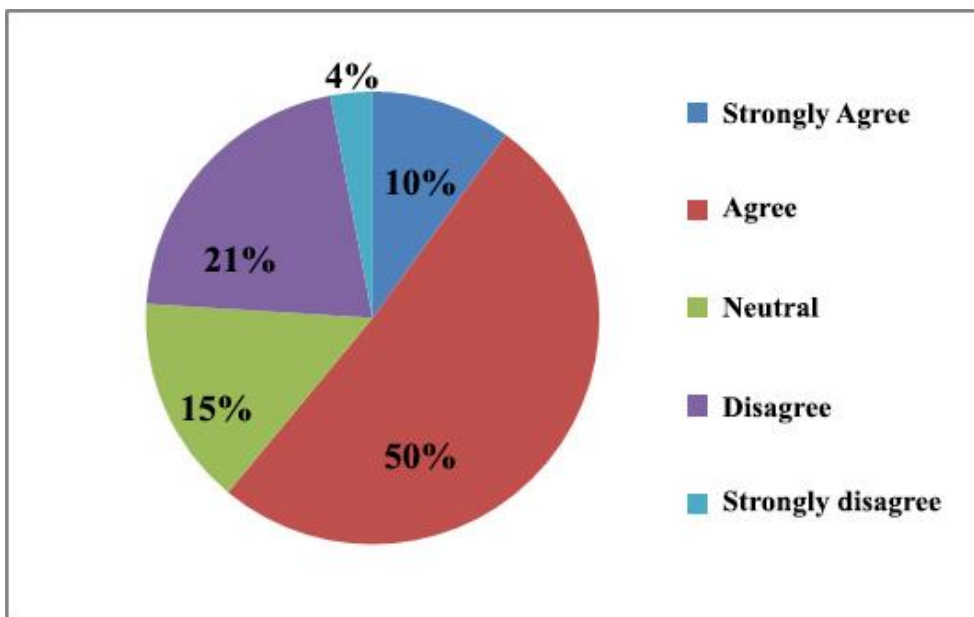


Figure (9): Statistical analysis of the field study

Table (8)

Category	Frequency	Percentage
Strongly agree	5	10%
Agree	24	50%
Neutral	7	15%
Disagree	10	21%
Strongly disagree	2	4%

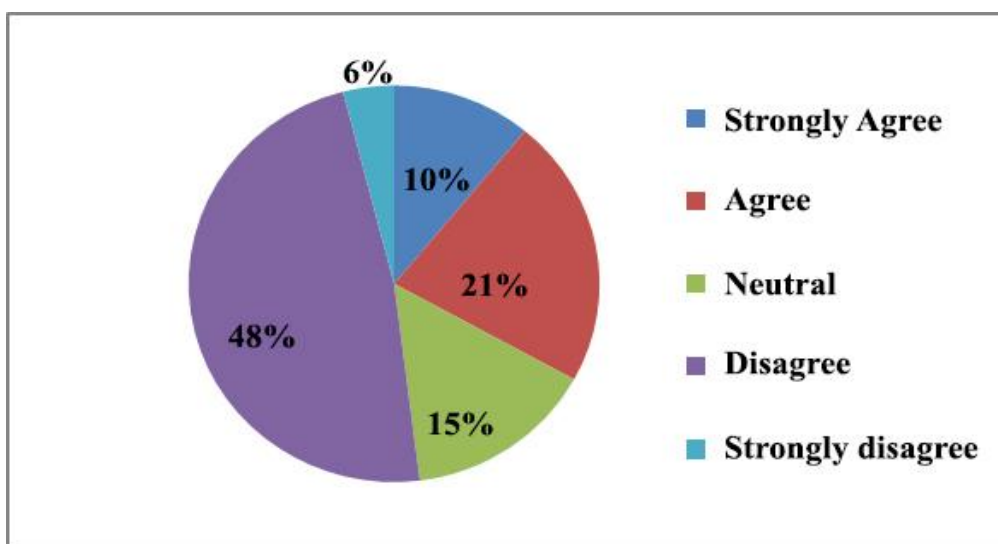


Figure (10): Statistical analysis of the field study

Table (9)

Category	Frequency	Percentage
Strongly agree	5	10%
Agree	10	21%
Neutral	7	15%
Disagree	23	48%
Strongly disagree	3	6%

8. The monthly installment that the bank takes is appropriate with the financial ability of the enterprises:

The figure shows the suitability of the monthly installment with the financial capacity of the enterprises. The percentage of strongly agree is (8%), the percentage of agree (40%), the percentage of neutral (6%), the percentage of disagree (42%), and the percentage of strongly disagree (4%).

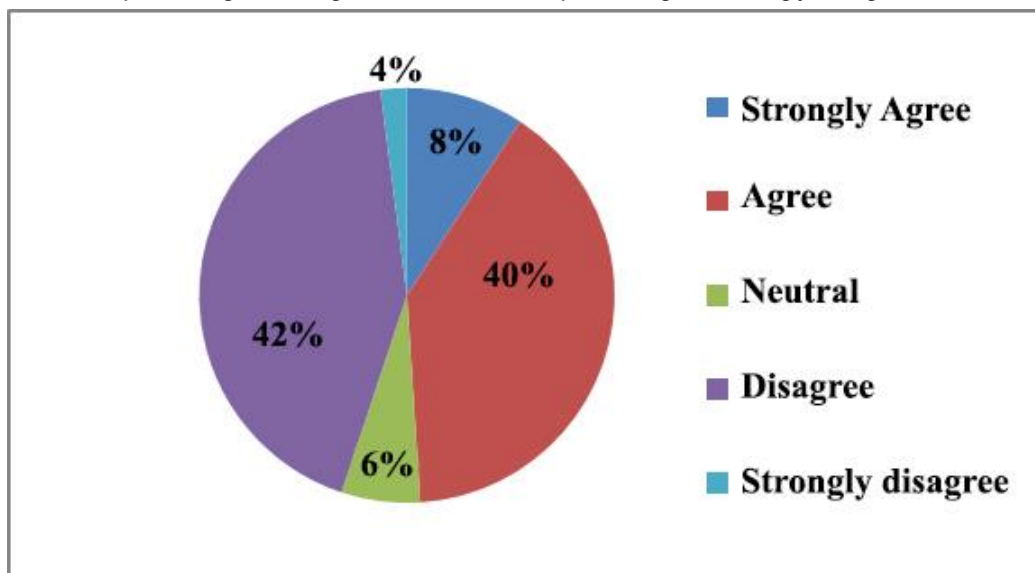


Figure (11): Statistical analysis of the field study

9. The conviction of the founders of the enterprises with the specified period for repaying the loan:

The figure shows the extent to which the founders of the enterprises are convinced of the term and the percentage of strongly agree is (8%), the percentage of agree is (40%), the neutral percentage is (6%), the percentage of disagree is (42%) and the percentage of strongly disagree is (4%).

Table (10)

Category	Frequency	Percentage
Strongly agree	4	8%
Agree	19	40%
Neutral	3	6%
Disagree	20	42%
Strongly disagree	2	4%

10. Bank employees are ready to assist lenders and respond to their inquiries:

The figure shows the satisfaction of the enterprises founders with the bank's employees, with a percentage of (15%) for strongly agree, (31%) for agree, (23%) for neutral, (23%) for disagree and (8%) for strongly disagree.

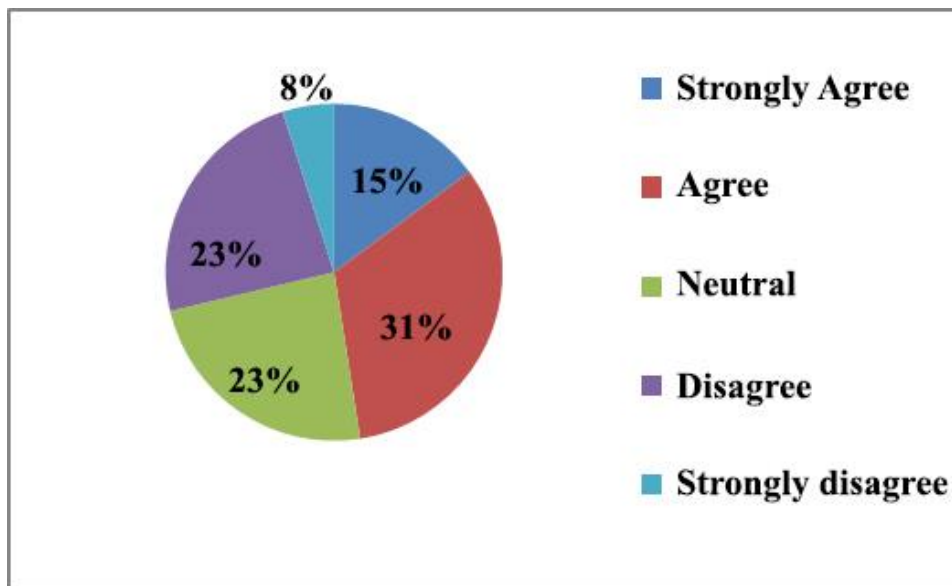


Figure (12): Statistical analysis of the field study

Table (11)

Category	Frequency	Percentage
Strongly agree	7	15%
Agree	15	31%
Neutral	11	23%
Disagree	11	23%
Strongly disagree	4	8%

Discussion of the results.

The results of the questionnaire show the contribution of small and medium enterprises to employment and to solving the problem of unemployment. However, some difficulties and problems must be solved for these enterprises to exercise their effective role. This is summarized in the following points:

- 1- The results of the questionnaire showed that most of the respondents were males. The weak contribution of the female ratio
- 2- The results showed that most of the respondents to the questionnaire from the owners of the enterprises hold a university degree, followed by the secondary school students and the lowest of those with postgraduate studies.

- 3- The largest share of small and medium enterprises is the wholesale/retail trade, followed by restaurants, and the lowest in the health and construction activity.
- 4- The number of enterprises that have from 11 to 30 workers has reached (33%), and this is considered an estimated percentage of employment.
- 5- The percentage of enterprises with the largest number of workers is very small (2%) of the total enterprises.
- 6- The study showed that 27% were not satisfied with the financing of small and medium projects promptly that satisfies the client, while the largest percentage 58 proved that the client was satisfied with that.
- 7- The results of the questionnaire showed that the largest percentage of the respondents, 43%, did not agree and were not satisfied with the period specified for repaying the loan, and this indicates that the period for repaying the loan is short.
- 8- The results of the questionnaire showed that 48% do not agree and are not satisfied with the monthly installment that the bank takes to pay, and this indicates that the installment is not appropriate with the financial capacity of the project.
- 9- The results of the questionnaire showed that the largest percentage of respondents (52% agree and 15% strongly agree) that the project financing process is carried out with accuracy and without errors, and this is a positive thing in the financing process.
- 10- The results of the questionnaire showed that 23% do not agree and 17% strongly disagree, confirming that the financing provided does not comply with the client's requirements, which requires an increase in the volume of financing.
- 11- The results showed that 10% do not agree and that a large percentage of the questionnaire 40% do not agree. It turns out that the conditions imposed by commercial banks on projects are intractable.
- 12- The results of the survey (15% disagree and 4% strongly disagree) show that the founders of the enterprises are not convinced of the funding provided.
- 13- The results of the survey show that a significant percentage of 25% do not agree and 6% strongly disagree that commercial banks do not contribute to the provision of many bank loans to small and medium enterprises
- 14- The results of the survey show that a significant percentage of 23% do not agree and 8% I strongly disagree, that the bank's employees are not ready to help lenders and answer their inquiries.

Summary of the research:

Small projects have an effective role in economic activity, such as an increase in individuals' income and employment, solving the problem of unemployment and others, but they face some problems such as funding, weakness and lack of funding. At the right time, and some other problems facing

financing, the lack of women's participation in investing in this aspect and other problems. If the state and official bodies sponsor this type of project, they play their active role in economic activity, such as solving the problem of unemployment, providing job opportunities for many citizens, and providing various types of goods to the citizen at reasonable prices, which large projects do not.

Recommendations.

There are many recommendations to overcome the obstacles facing small and medium enterprises, and the researchers summarize them in the following points:

1. Encouraging businesswomen by granting them loans to set up small and medium enterprises, as they represent a very small percentage.
2. Increasing the loans provided to the health services activity, which represents a small percentage of small projects.
3. Increasing support and granting loans to enterprises that require the employment of a larger number of workers so that small and medium enterprises have a more effective role in solving the problem of unemployment.
4. Increasing the period for repaying loans so that small and medium enterprises can succeed in granting the loan to the customer promptly so that the projects do not lose their importance.
5. Reducing the value of the monthly installment.
6. Increasing the amount of financing provided to small and medium enterprises.
7. Facilitating the conditions for granting loans to small and medium enterprises.
8. Rehabilitation of employees in commercial banks to serve owners of small and medium enterprises, provide them with the best services, and simplify for them the mechanisms and financing formulas for their projects.
9. The state and official bodies must sponsor this type of project so that it can exercise its active role in solving the problem of unemployment and providing many types of goods to the citizens at reasonable prices, which large projects do not.

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