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The impacts of Banks Sector on the Guinean economic growth and sustainable development.

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Abstract:
The objective of this study is to examine the crucial role that the Guinean banking sector plays in the country's economic growth. The study, through variables such as total credit, short-term credit, and medium- and medium-term credit from 1990 to 2021, assesses their impact on GDP and, de facto, Guinean economic growth. The data for this study comes from primary sources through a series of surveys of one hundred and fifteen customers and bankers concerning their opinions of the problems encountered by the banking system in its contribution to the national economy; then from secondary sources (GDP, total credit, short-, medium-, and long-term credit) from the Central Bank of Guinea. The statistical analysis through Excel and SPSS software describes the identity of the participants in the study; finally, the research reveals that the Guinean banking sector encounters many factors that negatively impact its effective contribution to the country's economic growth; further, through the correlation and collinearity analysis, it is proven that the relationship between Guinean bank credit and GDP is very insignificant, in the order of 0.01%. The study concludes that the Guinean government and the banking sector will have to focus enough effort on customer loyalty to increase the savings rate, but also on reducing credit risk factors that can encourage banks to extend more credit to the economy on long-term credit, a guarantee of sustainable growth.

Key Words: *Bank credit, Economic growth, Guinea, Banks, Customers, sustainable development.*

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I. Introduction

The concept of sustainable development, although new, has been the subject of much ink in political, economic, and social literature. The concept attracted the attention of States, economic actors, and civil societies after its first publication in a publication intended for the general public in 1987 on behalf of the World Commission for Development and the Environment of the United Nations, organised by (Visser & Brundtland, 2013). According to the author, "sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Given the ecological and social crisis that is manifesting itself in a globalised way (global warming, scarcity of natural resources, freshwater shortages, rapprochement of peak oil, gaps between developed and developing countries. Food security, deforestation and drastic loss of biodiversity, world population growth, natural and industrial disasters), sustainable development is an appropriate response by all state actors, economic, socio-cultural, and organisational development.

The concept of sustainable development leaves no sector of activity behind, including industry, housing, agriculture, family organisation, and services such as finance, tourism, and hospitality. (Wikipedia.fr, 2022). Since its inception, the concept of sustainable development has been criticised by many researchers because of the vagueness surrounding the concept (Jean-Marc Jancovici, 2002; Luck Fery, 2007). For (John Baden, 2000), this notion is a danger to the world, writing in these terms: "In economics as in ecology, interdependence reigns." Isolated actions are impossible. A sufficiently considered policy will lead to multiple perverse and undesirable effects. both ecologically and strictly economically." Despite widespread criticism from all sides, the concept continues to prove itself to get the world out of the environmental abyss by relying on all sectors of activity.

Drained by 1,161 rivers, Guinea is the "Water Tower of West Africa", where the great rivers of West Africa originate. It has a unique wealth of biodiversity and natural resources; Guinea, P. D. E. (2019). The Republic of Guinea, over the past ten years, has been part of a sustainable development momentum; the ratification of several international agreements materialises these different commitments of the country in order to respond to the various issues that impact the social and economic transformation of the country in a

sustainable way. Sustainable development rhymes with environmental protection; to boost this dynamic already initiated by economic, social and environmental actors at all levels for inclusive development with the following levers: Poverty reduction, the protection of natural resources and the improvement of the country's governance. In their recent research, the authors (Barbosa & al.2020) mentioned that "The need for organisations to follow the global trend that drives the pursuit of sustainable development highlights their efforts through instruments. Among that instrument, we have corporate governance, corporate social responsibility (CSR), and environmental management," and the role of banking institutions is essential in achieving these goals.

In 1987, sustainable development was defined by the United Nations as "development that meets present needs without compromising the ability of future generations to meet their own" Guinea, P. D. E. (2019). For (La, M. D. E., & et C. (2020)) "Technical and Financial Partners should renew their commitment and support to Guinea in the implementation of the Sustainable Development Goals of the 2030 Agenda and the next decade of the LDCs 2021-2030". The products of sustainable finance of banks in Guinea and their acquisition process by companies and investors still need to be discovered by most local entrepreneurs because of the lack of communication between some banks in places. These financial flows are mainly directed towards environmental and social issues.

Indeed, Guinea's GDP is realised mainly in the extractive sector, which affects biodiversity, the local population and the environment. The work of (Olawumi& Chan, 2018; Sartori et al., 2014), quoted by Ruggerio, C. A. (2021), argues that "the concept of sustainable development is often associated with the concept of sustainability and therefore the two terms are used synonymously, even in the academic and scientific fields, as observed in the literature". The country is endowed by nature with an agricultural potential of 6.2 million hectares of arable land with only 25% exploited; the reputed water tower of West Africa also has natural resources of the subsoil (bauxite, gold, diamond, iron.) in large quantities. These assets, if well exploited, can enable Guinea to ensure social well-being, fight against poverty, and put the country on the path to sustainable development.

However, the agricultural sector is struggling to meet the national demand for agricultural products given the producers' lack of technical and technological means and the insufficiency of financial means; banks demand guarantees beyond farmers' capabilities. As a result, this very strategic sector in Guinea's sustainable development still needs to be developed. In March 2018, the World Bank Group conducted a study on Guinea in which it noted that "Agriculture remains the main source of employment for the poor and a potential source of productivity gains. Agriculture provides income to 57 per cent of rural households and employs 52 per cent of the workforce." The low rate of access to finance and the low level of private sector investment should call on the State to encourage banks to grant credit to entrepreneurs at reasonable rates to support projects and programs aimed at promoting the acquisition of banking products likely to initiate sustainable development.

II. Literature Review

2.1 The relationship between bank credit and economic growth

A two-way causal relationship was found between bank credit and economic growth (Gurley & Shaw, 1955). According to this principle, bank credit stimulates economic growth, and economic growth, in turn, provides room for bank credit expansion. (Bencivenga and Smith, 1991; Boyd and Smith, 1995) argue that the financial sector significantly impacts a country's economic growth primarily by influencing savings patterns, credit rationing, and borrower identification. (Greenwood and Jovanovic, 1990) concluded that there is a positive causal correlation between bank credit and economic growth. Further, they believe that banks and other financial institutions invest credit funds in projects or enterprises that they believe have the most significant development potential, thereby improving the efficiency of credit funds' investments and ultimately promoting rapid economic growth. At the same time, economic growth also provides a pathway for increasing the credit ladder and optimizing its structure, according to the findings of (Roseline,2012) research on the impact of Nigerian bank credit on economic growth. Studies showed that oil exports had a negative relationship with credit, while other exports had a positive relationship with credit. Credit also had a positive relationship with capital inflows and imports. The results of this study show that bank credit is inextricably linked to international trade and capital flows. (Arestis&Demetrades, 1997) demonstrated in their studies the relationship between bank credit and economic growth in the United States and Germany, respectively. Also, it came to two very different conclusions: in the United States, credit lending cannot be shown to affect economic growth, but it is functional. However, GDP growth plays a vital role in promoting the development of the banking system. In Germany, credit can promote economic growth, but economic growth does not affect the provision of credit. In the same vein, (Seifallah Sassi, 2014), using dynamic panel data from 27 European countries from 1995 to 2012, examines the credit market's impact on economic growth. Empirical results confirm that the development of consumer credit and investment markets play a positive role in the economic growth of these countries.

Using Johansen's cointegration analysis methods, (AntoniosAdamopoulos, 2010) demonstrates the short- and long-term relationships between bank lending, GDP and inflation. Based on Spanish data from 1976

to 2007, empirical results prove that economic growth and investment positively impact the development of credit markets, while inflation has a negative effect. (Bemanke and Blinder, 1988) Consider that methods of calculating the relationship between bank credit and the real economy are essential in finding correlations between the two economic indicators. Their study shows that credit affects the economy to varying degrees at different stages of the economic growth cycle. For example, during a financial crisis or recession, credit funds will flow more easily into high-quality assets when the economy reduces foreign investment, and the external financing premium increases significantly. When monetary policy changes and banks adjust their credit supply accordingly, investment and output in the economy will vary.

Based on this literature review, we estimate a positive relationship between bank credit and a country's economic growth on the one hand and a negative relationship between the two indicators on the other. The existence of a positive or negative relationship depends on regions and countries but also certain internal factors in the economy of these countries.

III. Material And Methods

3.1 The area of study

A coastal country in West Africa, Guinea shares its borders with six countries (Guinea-Bissau, Senegal, Mali, Sierra Leone, Liberia, and Côte d'Ivoire) with 12.7 million inhabitants in 2017 and 13,497,244 inhabitants in 2021. As the country's largest employer, the agriculture sector plays a crucial role in poverty reduction and rural development, providing income for 57 per cent of rural households and employment for 52 per cent of the labor force.

3.2 Research design

Our research strategy in this study is based on data collection methods, from which we will understand the impact of the relationships between banks and companies on sustainable development in Guinea and the attitudes of clients seeking financing towards banks. Apart from the data from our survey of companies and banks, we will use data on bank loans to the economy and gross domestic product (GDP) from 2010 to 2021, i.e. eleven years of data. GDP will be considered the independent variable, and bank credit to the economy will be considered the dependent variable.

3.3 Target Population and Sample Size

Our target population is Guinea's commercial banks and corporate clients. As of December 31, 2020, the Guinean banking landscape has twenty-one (21) credit institutions, including eighteen (18) banks, a specialized financial institution, and two (2) leasing institutions. After submitting a request to the banks and clients for a series of surveys on the links between banks and clients, only one hundred and fifteen (115) clients and bankers were accepted to answer the questionnaires. During this study, it is essential to note that banks, bankers, and companies all wanted to remain anonymous for their reasons.

3.4 Data collection methods and sources

We collected the data for this study in two ways, first, from primary sources, and second, from secondary sources. For the primary data, in the choice of collecting answers, for the first time, we preferred online contact and an email interview for the reconfirmation of their answer (the questionnaire). Secondary data come from outside sources like the central bank of Guinea (GDP and total bank credit to the economy) and reports on the Guinean economy from the World Bank, the International Monetary Fund (IMF), and commercial banks. To explore the existing literature, this is combined with research that has already been done related to this study.

3.5 Data analysis

First, we will use the descriptive method to describe our primary data. Second, the authors used the regression method to look at the secondary data, which included GDP and the amount of bank credit given to the economy. This method shows how banks' commercial loans to the economy affected Guinea's long-term growth.

IV. Result and Discussion

The aim on the interpretation of participants in the study data. The acquired data were analyzed by Excel and Spss 22; using statistical techniques such as tables and bar graphs. The results of the study are reported under the following segments:

- Participants' Description;
- The Kinds of products and services provided by private banks during the economic expansion;
- Problems raised by the private banks of Guinea to the nation's economic development;
- Problems raised by Guinea banks clients regarding their relationship with banks;
- Bank loans contribute to the country's sustainable development.

4.1 Participant's Description

In this part of our study, the necessary information collected is about the gender of the participants, their ages, their responsibilities, and the level of training of the participants.

One hundred and fifteen (115) bank customers and workers took part in this study.

Table 1 Sex

Sex	Absolute frequency (AF)	Relative frequency (RF) in %
Male	70	61
Female	45	39
Total	115	100

In this statistical presentation, we see that 61 percent of the 70 people who took part are men, while 39 percent are women.

Table 2 Age of participants

Age	Absolute frequency (AF)	Relative frequency (RF) in %
18_30	30	26
31_45	50	44
46_Above	35	30
Total	115	100

Our second presentation clearly indicates that the age of the majority of respondents is between 31 and 45 years (44%). In Guinea, this median age is the ideal interval to actively participate in the country's economic and social growth. Then comes the age interval between 46 and over (30%), which also actively contributes to economic development. And finally, there is the age interval of 18 and 30 years (26%). From our study, we will say that the majority of participants are able to actively contribute to the economic and sustainable development of the country.

Table 3 Responsibility of Participants

Functions	Absolute frequency (AF)	Relative frequency (RF) in %
Bankers	5	4
Entrepreneurs	25	22
Employees	35	30
Pupils, Students	10	9
Farmer	10	9
Merchant	30	26
Total	115	100

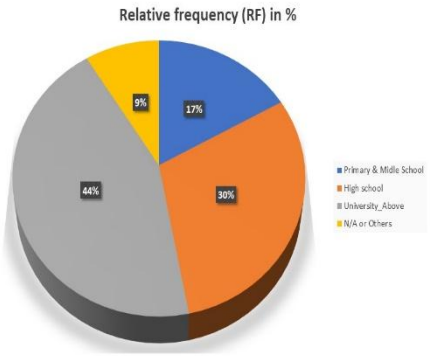
Statistical analysis shows that the majority of study participants have an employee responsibility profile of 30% relative frequency. This is because most workers' salaries are transferred to the bank. The merchant category follows with 30% absolute frequency, or 26%. This proportion could be explained by the fact that the tertiary sector attracts more people to Guinea, and most of these traders need banks to carry out their various daily transactions. 22% of the population (25) are entrepreneurs. This upward trend is explained by the ambition of business leaders to compete for bank loans from moment to moment to develop their businesses or save them from financial bankruptcy. Finally, farmers, students, and bank workers occupy 9%, 9%, and 4%, respectively. In the case of students, most do not have the notion of financial literacy, so they are not interested in the role that banking plays in the economy. Farmers, on the other hand, lack support from credit institutions.

Table 4 Level of training of participants

Level of training	Absolute frequency (AF)	Relative frequency (RF) in %
Primary_Collège	20	17
High school	35	30
University_Above	50	44
N/A	10	9
Total	115	100

Figure 1 Level of training of participants

Our statistics show that the highest level of education is at the university level (44%). This high rate



is explained by the fact that most entrepreneurs in Guinea want to finish university studies to avoid certain mistakes in the field, but also the conditions to be a banker, because bankers participating in the study fall into this category. In second place comes the Lycée with 30%, then primary and secondary education, and finally those who have no training or have not indicated anything about their training (9%).

4.2 Product and service types offered by private banks during the economic expansion

Table 5: Interviewers' views on the importance of banks in the country's economic growth

No.	kinds of products and services provided by private banks during the economic expansion	AF	FR %
1	National Economy Credit Agreement	35	30
2	Private sector financing	34	29
3	Bank interest rates	10	9
4	Purchase of treasury bonds or country bonds	15	13
5	Facilitation of exports and imports of basic necessities	10	9
6	Taxes and duties to the State	5	4
7	Effective circulation of money	6	5
TOTAL		115	100

From our statistical calculation, the results prove that 35 (30%) of respondents believe that private banks contribute to the country's growth by granting credit to the national economy. 34 respondents (29%) indicate that private sector financing by primary banks is the means by which they contribute to the country's economic development. In terms of the question on bank interest rates, only 10 out of 115 respondents, or a percentage of banks, contribute to the country's growth by granting credit to the national economy. 34 respondents (29%) indicate that private sector financing by primary banks is the means by which they contribute to the country's economic development. In terms of the question on bank interest rates, only 10 out of 115 respondents, or 9 percent, believe that the bank interest rates that primary banks grant to customers are a means of contributing to the national economy. At this stage, it should be noted that the respondents mention the more or less low interest rates, allowing entrepreneurs to be able to acquire loans and then create wealth that, de facto, will contribute to the growth of the country. 10 (13%) indicate that the purchase of Treasury bonds or bonds by banks constitutes a plan to contribute to economic growth. Again, 10 (9%) of the respondents believe that the facilitation of exports and imports by banks through their various products and services contributes to the socio-economic growth of the country. When asked about the taxes that primary banks pay to the state, 5 or 4 percent think that this is another necessary way to contribute to the expansion of the economy. 6 (5%) admit that private banks in Guinea contribute favourably to the country's growth through the effective circulation of money in the economy.

4.3 Problems raised by the private banks of Guinea for the nation's economic development

Our data focuses solely on the acquired responses of our bank and banker respondents who participated in this study. From there, we have fifteen (15) respondents on the issue of the major problems that these banks face in their contribution to the economic growth of the country. A total of ten (10) questions were submitted to these banks, and the possibility of two (2) other questions was chosen. This idea of two questions to choose from is based on the fact that the areas, sizes, and locations of bank headquarters are not identical.

Table 6 Opinions of banks/bankers on problems encountered in contributing to the country's economic growth

No.	Problems raised by the private banks of Guinea to the nation's economic development	AF	FR%
1	Repeated political factors	3	20
2	The low rate of banking services of the population	2	13
3	Increased absence in rural areas	2	13
4	competition with mobile money companies, non-financial institutions, and/or foreign banks.	1	7
5	The non-legalization of 80% of companies	1	7
6	The non-diversification of companies' sectors of activity	1	7
7	The interest rate problem (key interest rate)	1	7
8	Non-fulfilment of promises by location (customers or banks)	1	6
9	The non-performance of financial assets	1	7
10	Devaluation of the currency / Inflation	2	13
TOTAL		**15**	**100**

According to the results of our data analysis, we find that political factors (20%) are one of the problems banks faces in their contribution to the country's economic growth. In second place are the low rate of banking services, the absence of branches in rural communities, and the devaluation of the currency and/or inflation, which each occupy 13% of the total. Competition with mobile money and foreign banks, the high rate of the informal sector, non-diversification of sectors of activity, interest rate and key rate of the central bank, and non-performance of financial assets all occupy 7% of the third level. Finally, 6% is due to the failure to keep promises made by both parties (banks and customers) at times.

We conclude this part by saying that the various problems are the causes encountered by traders in their contribution to the economic and social growth of Guinea.

4.4 Problems raised by Guinea Bank customers regarding their relationship with banks

Table 7: Customers' opinions on problems encountered in working with banks

No.	Problems raised by Guinea Bank customers regarding their relationship with banks	AF	FR%
1	Short duration of credits (0–1 year)	16	14
2	High interest rate, high administrative costs	20	17
3	Slowness in administrative procedures	13	11
4	Political Factors	21	18
5	The level of training of entrepreneurs and traders	16	14
6	breaking promises (business bankruptcy)	12	11
7	Impacts of business lines	17	15
TOTAL		**115**	**100**

The analyses of our data show us that among the problems that customers encounter in their relationships with banks, in first place are political factors (18%), followed by high interest rates and administrative costs (17%). In third place is the short duration of credits (0–1 year), which is at 14%. Administrative procedures are slow and account for 11% of these issues. Non-fulfilment of customer promises accounts for 11% of these issues, which includes company bankruptcy and the misuse of borrowed funds. 14 percent of customers believe that the level of training of traders or business leaders is one of the causes of problems in their relationship. Finally, comes the impact of the sectors of activity, which account for 15%. For respondents, the choice of one sector of activity over another plays a decisive role in their collaboration. All these factors undoubtedly have direct or indirect impacts on Guinea's economic growth.

4.5 Bank loans contribute to sustainable country development (GDP).

This part of our study consists of determining the link between bank credit and Guinea's economic growth. As a result, we will conduct a statistical data analysis using the Spss 22 software.

4.5.1 Statistical analysis of the data

Table 8 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
GDP	32	20541	75767	38557,03	15652,098	,978	,414	,076	,809
CDT	32	1701,900000000000	159529,6387736541200	33644,911743073860000	47545,921530350395000	1,487	,414	,988	,809
STL	32	1525,500000000000	97631,9608663651700	21350,711854522080000	28830,541723180590000	1,485	,414	,974	,809

MLTL	32	176,400000000 00000	61897,6779072 8894000	12294,2000448 01782000	18783,2985220 85926000	1,489	,414	1,005	,809
Valid N (listwise)	32								

Table 8 indicates that from 1990 to 2021, the level of GDP and bank credit to the national economy has continued to increase gradually. As for short, medium, and long-term loans, the increase by maturity is different because short-term credit is greatly encouraged compared to medium- and long-term credit.

Table 9 Correlations Test

		GDP	CDT	STL	MLTL
GDP	Pearson Correlation	1	.959**	.960**	.954**
	Sig. (2-tailed)		,000	,000	,000
	Sum of Squares and Cross-products	7594633534,969	22125056565,324	13426549697,166	8698506811,218
	Covariance	244988178,547	713711502,107	433114506,360	280596993,910
	N	32	32	32	32
CDT	Pearson Correlation	.959**	1	.999**	.998**
	Sig. (2-tailed)	,000		,000	,000
	Sum of Squares and Cross-products	22125056565,324	70079054279,277	42454538486,553	27624515636,954
	Covariance	713711502,107	2260614654,170	1369501241,502	891113407,644
	N	32	32	32	32
STL	Pearson Correlation	.960**	.999**	1	.994**
	Sig. (2-tailed)	,000	,000		,000
	Sum of Squares and Cross-products	13426549697,166	42454538486,553	25767204217,614	16687334172,829
	Covariance	433114506,360	1369501241,502	831200136,052	538301102,349
	N	32	32	32	32
MLTL	Pearson Correlation	.954**	.998**	.994**	1
	Sig. (2-tailed)	,000	,000	,000	
	Sum of Squares and Cross-products	8698506811,218	27624515636,954	16687334172,829	10937181404,464
	Covariance	280596993,910	891113407,644	538301102,349	352812303,370
	N	32	32	32	32

**. Correlation is significant at the 0.01 level (2-tailed).

The results in Table 9 show that there is an insignificant correlation between GDP and bank credit from 1990 to 2021. This veracity is supported by the fact that the correlation is significant up to 0.01%. Short-term credit in relation to GDP has a significant correlation, but its growth is unsustained, as both medium- and long-term credit have an insignificant correlation in the short term but a very noticeable correlation over a long period.

Table 10.1 Linear Regression test

Variables entered/removed

Model	Variables Entered	Variables Removed	Method
1	MLTL, STL[b]	.	Enter

a. Dependent Variable: GDP

b. Tolerance = ,000 limit reached.

Table 10.2 Model Summary

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.960[a]	,921	,916	4542,386	,921	169,539	2	29	,000

a. Predictors: (Constant), MLTL, STL

b. Dependent Variable: GDP

Table 10.3 ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	GIS.
1	Regression	6996268729,652	2	3498134364,826	169,539	.000[b]
	Residual	598364805,317	29	20633269,149		
	Total	7594633534,969	31			

a. Dependent Variable: GDP
b. Predictors: (Constant), MLTL, STL

Table 10.4 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta	t	GIS.	Lower Bound	Upper Bound	Tolerance	BRIGHT
1	(Constant)	27469,675	1175,742		23,364	,000	25065,013	29874,336		
	STL	,505	,259	,930	1,947	,061	-,025	1,036	,012	84,039
	MLTL	,025	,398	,030	,062	,951	-,790	,839	,012	84,039

a. Dependent Variable: GDP

Table 10.5 Excluded Variables[a]

Model		Beta In	t	GIS.	Partial Correlation	Collinearity Statistics		
						Tolerance	BRIGHT	Minimum Tolerance
1	CDT	.[b]	.	.	.	,000	.	,000

a. Dependent Variable: GDP
b. Predictors in the Model: (Constant), MLTL, STL

The linear regression analysis between the dependent variable (GDP) and the independent variable (Credit, CDT) with the control variables (MLTL, STL) is constant. This means that there has been a relationship of trust between the different variables in this study from 1990 to 2021.

Fig 2 Linear regression between GDP & Total Credit (CDT)

Fig 3 GDP & Total Bank credit growth rate between 1990-2021

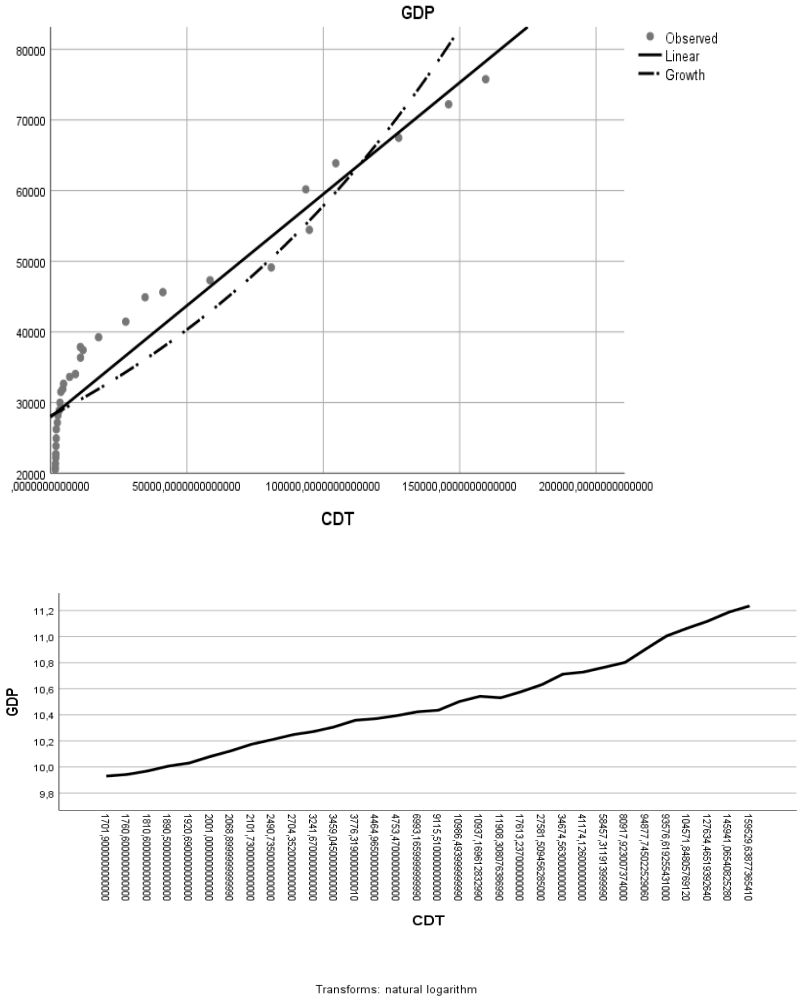


Table 11.1 Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions (Constant)	STL	MLTL
1	1	2,453	1,000	,05	,00	,00
	2	,543	2,126	,65	,00	,00
	3	,004	24,900	,30	1,00	1,00

a. Dependent Variable: GDP

Table 11.2 Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	28244,51	78310,00	38557,03	15022,852	32
Std. Predicted Value	-,686	2,646	,000	1,000	32
Standard Error of Predicted Value	839,936	2768,645	1288,478	532,012	32
Adjusted Predicted Value	28488,41	79191,39	38498,60	15192,725	32
Residual	-7703,512	6626,844	,000	4393,414	32
Std. Residual	-1,696	1,459	,000	,967	32
Stud. Residual	-1,740	1,840	,005	1,022	32
Deleted Residual	-8113,248	10544,014	58,429	4946,979	32
Stud. Deleted Residual	-1,807	1,924	,003	1,039	32
Mahal. Distance	,091	10,548	1,937	2,709	32
Cook's Distance	,000	,667	,046	,117	32
Centered Leverage Value	,003	,340	,062	,087	32

a. Dependent Variable: GDP

The diagnosis of collinearity shows that between the independent variable and the other variables, there is a significant relationship, but that at times, this relationship is insignificant. The study interprets that bank credit as a whole impacts Guinea's economic growth, as short-, medium-, and long-term credit negatively affect the Guinean economy. This is because short-term loans are cash-financing credits, and their impact is visible in the short term but not sustained. As for medium- and long-term credits, they are credits for financing large-scale projects. Their impacts are visible in the long term, not in the short term.

Fig 4 Regression Standardized Residual

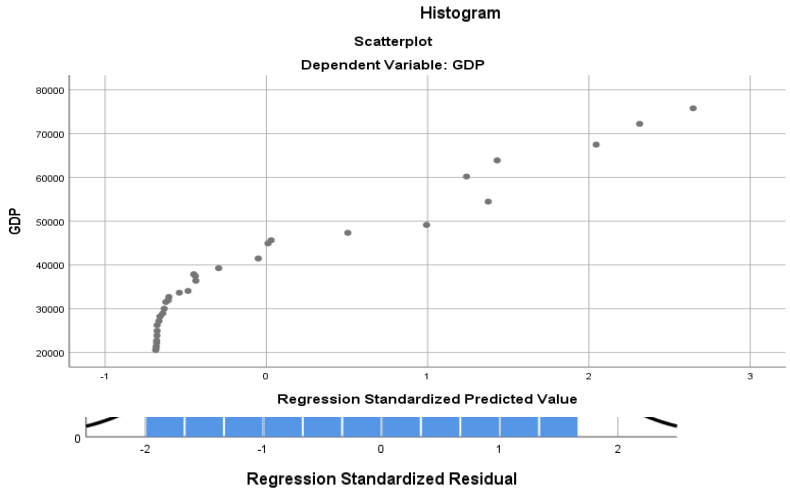


Fig 5 Regression Standardized Predicted Value

V. Conclusion and Recommendations

5.1 Conclusion

In this study, it was a question of making the link between the impact of the Guinean banking sector and Guinea's economic growth. From primary and secondary data. The study reveals that there are multiple problems in the Guinean banking market. For the respondents, they indicate that repeated political factors (20%), the low rate of banking (13%), the absence of banking branches in rural communities (13%), and the devaluation of the currency (13%), are the main factors that negatively impact the contribution of the banking sector to Guinea's economic growth. As for the opinion of customers, the study indicates that political-social

factors (18%), high interest rates (17%), the impact of business sectors (15%), the short duration of loans (14%), and the level of training of customers (14%), are the main factors that negatively affect their relationship with banks and, de facto, the country's economic growth. As for the analysis of secondary data, the study shows that there is an insignificant correlation of 0.01% between GDP and total bank credit. Further, with the collinearity analysis, the study indicates that the relationship between bank credit and GDP is deteriorating at times, especially short-, medium-, and long-term credit. Overall, the study concludes that Guinea's total bank credit has a positive impact on economic growth, but negatively in different periods (short, medium, and long term).

5.2 Recommendations

After looking at how the banking sector affects the growth of Guinea's economy, the study makes the following suggestions:

- That banks devote their efforts to the provision of bank loans with advantageous rates;
- That banks retain their customers to create a climate of trust. This will happen through proximity, internet banking, and adapted products and services;
- That the government encourage the creation of several commercial banks but also grant advantages to these banks;
- That the government create a risk management fund that can encourage banks to extend more credit to the population;
- The proper applicability of the laws to offenders (banks and customers);
- The creation of a 100% government-owned national bank would be a good plan to encourage local entrepreneurship.
- The central bank ensures that commercial banks and Guinea conduct themselves properly.

The findings reveal that they authors encountered problems in setting up the research plan, including time, data sources, and study participants. For future research, the authors recommend expanding the variables at several levels for a broad study, but also of the impact of the microfinance sector on Guinea's economic growth.

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