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SME financing: Between the tightening of bank credit and the rise of innovative alternatives

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Abstract: This paper explores the evolving landscape of SME financing in a context marked by the progressive tightening of traditional bank credit and the emergence of innovative funding alternatives. Small and medium-sized enterprises (SMEs), widely recognized as key drivers of innovation and employment, face increasing difficulties in accessing conventional financial resources due to heightened risk aversion among banks, stricter regulatory requirements, and macroeconomic instability. In response, SMEs are progressively turning to alternative financing solutions, such as crowdfunding, venture capital, peer-to-peer lending, and blockchain-based mechanisms, including smart contracts. The study highlights the dual dynamics shaping the current financing environment: while traditional sources like bank credit and government grants remain essential, they are no longer sufficient on their own. New technologies and decentralized platforms are redefining the financial ecosystem, offering greater flexibility, transparency, and inclusion. However, these alternatives also come with challenges, such as regulatory uncertainty, market saturation, and the need for strategic adaptation. Through a comparative and analytical approach, the paper underscores the importance of fostering a diversified, resilient, and innovation-oriented financial framework. It calls for coordinated efforts between public policy, financial institutions, and technological actors to support the sustainable development and competitiveness of SMEs in an increasingly complex economic environment.
Keywords: *Alternative finance, Bank credit tightening, Crowdfunding, Fintech, SME financing.*

1. Introduction

The issue of financing small and medium-sized enterprises (SMEs) holds critical importance in today's economic environment, characterized by the tightening of bank credit and the growing availability of alternative financing solutions. SMEs—often regarded as engines of innovation and job creation—frequently face challenges in accessing traditional financing. This phenomenon is largely attributable to banks adopting more stringent lending criteria in response to economic uncertainty. As a result, SMEs find themselves in a precarious position, having to navigate an increasingly complex financial landscape where access to appropriate funding is essential to ensure their sustainability and growth.

In response to this contraction in bank lending, innovative alternatives have emerged, reshaping the financing landscape available to SMEs. New crowdfunding platforms, peer-to-peer lending, and revenue-based financing models are among the many initiatives designed to meet the specific needs of these businesses. Moreover, the rise of fintech companies has led to the development of digital tools that facilitate access to flexible and tailored financing, thereby reducing the bureaucratic barriers traditionally associated with bank lending. SMEs are also benefiting from increased support by private

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investors and governmental support mechanisms that explore customized solutions to address the often urgent and diverse needs of entrepreneurs.

Thus, the SME financing landscape is undergoing a profound transformation, where the tightening of traditional credit coexists with the promising rise of alternative solutions. This evolving dynamic raises critical issues both for SME leaders in search of viable funding options and for financial actors seeking to adapt to a changing economic environment. Exploring these themes leads to a deeper understanding of the challenges and opportunities faced by SMEs, while highlighting the importance of a diversified financial ecosystem that fosters innovation and sustainability.

Accordingly, a central question arises: to what extent can alternative financing solutions offset the limitations of traditional bank credit and effectively support the growth of SMEs in an uncertain economic context ?

2. Economic Context of SMEs

The economic landscape of small and medium-sized enterprises (SMEs) is characterized by a fluctuating dynamic shaped by macroeconomic, sectoral, and technological factors. SMEs, often seen as drivers of innovation and employment, play a substantial role in the overall economy. In France, for instance, they account for nearly 98% of all businesses and employ nearly half of the private-sector workforce. This prevalence not only highlights the importance of SMEs in value creation but also underscores their vulnerability to economic cycles (Kouassi, 2024).

In recent years, a series of challenges has emerged, intensified by volatile economic conditions, including financial market instability, interest rate fluctuations, and the disruptions caused by health and geopolitical crises. These factors have contributed to a tightening of bank credit, making access to traditional financing more difficult for many SMEs. This situation compels businesses to explore innovative financing alternatives, such as crowdfunding, leasing, or convertible debt solutions.

Alongside these challenges, the economic environment also presents opportunities. SMEs, often more agile and capable of rapidly adapting their business models, are well-positioned to leverage increasing digitalization and emerging technologies. A recent study revealed that approximately 75% of SMEs investing in digital transformation report improvements in operational efficiency and competitiveness. In addition, governmental initiatives aimed at supporting SMEs—through grants, subsidies, or tax relief—serve as crucial levers to enhance their resilience.

In summary, a delicate balance is emerging: while SMEs navigate a constrained and sometimes hostile bank financing environment, their capacity for innovation, combined with a willingness to adapt, offers promising prospects in a rapidly evolving economic context (Radoui & Cherradi, 2025).

3. Traditional Financial Resources

Traditional financial resources remain a fundamental pillar for SME financing, despite the growing prominence of innovative alternatives. Among these resources, bank credit stands out as the preferred method for many enterprises seeking to support their development. Financial institutions, acting as intermediaries, play a critical role in assessing the risks associated with loan issuance. This process requires in-depth analysis of company balance sheets, financial projections, and repayment histories. However, in a shifting economic context, banks often adopt a more conservative stance, creating challenges for SMEs—particularly startups—which frequently lack strong collateral or a solid credit history (Gandégnon, 2023).

In parallel, government grants constitute another essential source of funding, especially for SMEs operating in priority sectors such as technology or the environment. These grants, typically provided at national or regional levels, aim to stimulate innovation and reduce development costs for small and medium-sized enterprises. Nevertheless, access to such funds can be complex, often subject to strict regulations and specific eligibility criteria that limit available options. Application and compliance processes may also require substantial administrative resources, which can be a significant barrier for some SMEs (Anni & Mjidila, 2025).

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Indeed, although traditional financial resources offer well-established means of supporting growth, they must be considered as part of a broader financial strategy. SMEs must navigate often strained relationships with financial institutions, seeking to balance their financing needs with the stringent solvency requirements imposed by creditors (Adikpeto & Hounkou, 2025). With a thorough understanding of the mechanisms behind bank credit and grant systems, SMEs can better position their applications and optimize their chances of success in an evolving financial environment. In sum, despite facing increasing constraints, traditional financial resources continue to play a decisive role in the entrepreneurial ecosystem, shaping SMEs' financing strategies while interacting with the emerging alternatives available on the market.

3.1. Bank Credit

Bank credit remains one of the primary mechanisms through which SMEs access traditional financing. In an economic environment marked by alternating periods of growth and recession, the granting of credit by banks continues to be a critical area of analysis. Historically, financial institutions have played a central role in supporting small and medium-sized enterprises by providing the funds necessary for business startup and expansion. However, several factors influence the dynamics of this relationship—on one hand, the willingness of banks to lend, and on the other, the specific needs of SMEs (Saad & Souad, 2025).

In recent years, a clear trend toward tighter bank credit has been observed. This shift can be attributed to various factors, including stricter credit assessment criteria, heightened awareness of default risks, and more rigorous banking regulations implemented in the aftermath of the 2008 financial crisis (Heyer et al., 2023). In an effort to mitigate potential losses, banks often impose more demanding requirements in terms of collateral and profitability thresholds. This situation creates a paradox: while the demand for financing among SMEs remains strong, their access to traditional credit is becoming increasingly limited.

In this context, the very nature of the relationship between SMEs and banks is evolving. Transparency and proactive communication have become essential to building mutual trust. SMEs must be able to present solid business plans, realistic financial projections, and, in many cases, a track record of performance that meets lenders' expectations. Furthermore, the digitalization of credit procedures and the emergence of new financial technologies are also challenging the traditional modalities of credit granting. In sum, although bank credit remains a fundamental source of financing, its surrounding environment is growing increasingly complex, compelling SMEs to navigate carefully between traditional banking requirements and the exploration of alternative solutions.

3.2. Government Grants

Government grants represent a crucial pillar in the financing of small and medium-sized enterprises (SMEs). In times of tightening bank credit, such support serves as an attractive alternative, enabling SMEs to pursue expansion projects without increasing their debt burden. In general, grants are non-repayable funds provided by national, regional, or local authorities and are typically allocated for specific purposes such as innovation, job creation, or sustainable development. These support programs can vary significantly in terms of eligibility criteria, allocated amounts, and targeted sectors, making a clear understanding and strategic access to them essential for entrepreneurs (Anni & Mjidila, 2025).

To benefit from these grants, SMEs must often comply with a regulatory framework and detailed reporting requirements designed to ensure the efficient use of public funds. Project evaluations may include economic, social, and environmental impact criteria, encouraging companies to align their objectives with broader societal priorities. Moreover, competition for grant funding can be intense, prompting businesses to submit well-structured and compelling proposals that emphasize the viability and innovative nature of their projects. Additionally, the availability of such support may fluctuate according to political and economic orientations, making it vital for SMEs to stay informed about current programs and to adapt their strategies accordingly.

The strategic use of government grants can also facilitate access to private financing, as investors and banks are often more willing to support projects that have already secured partial public funding. This creates a leverage effect that can enhance the company's credibility in the market. Consequently, combining government grants with other forms of financing can enable SMEs not only to overcome immediate financial barriers but also to strengthen their long-term position in an ever-evolving economic landscape. Far from being a panacea, government grants should therefore be integrated into a holistic financing strategy that takes into account both credit dynamics and emerging financial solutions (Sahmi & Souhar, 2025).

4. Tightening of Bank Credit

The tightening of bank credit represents a major challenge for small and medium-sized enterprises (SMEs), which are often perceived as less creditworthy and riskier borrowers. This phenomenon typically reflects a tightening of lending conditions due to a range of economic, regulatory, and sector-specific factors. First, in periods of economic uncertainty, financial institutions tend to adopt more conservative approaches aimed at minimizing their exposure to default. Rising interest rates—often linked to restrictive monetary policies—further complicate access to financing, as banks become more selective in the projects they choose to support. At the same time, increased regulatory requirements impose higher capital adequacy standards on banks, prompting them to prioritize low-risk loans while withdrawing from SME lending, which is generally viewed as more precarious (Bennis & Oudda, 2021).

The consequences of this credit tightening on SMEs are manifold and often interconnected. First and foremost, limited access to credit can hinder their ability to invest in innovation, expansion, or even day-to-day operations. This shortage of liquidity can lead to delays in the execution of strategic projects and, in some cases, workforce reductions. Furthermore, a deterioration in trust toward financial institutions exacerbates the situation, as firms discouraged by repeated loan rejections may choose to forgo necessary financial risks that are essential for growth. This vicious cycle generates a domino effect throughout the broader economy, since the vitality of SMEs is often directly tied to job creation and the stimulation of local markets. Thus, the tightening of bank credit constitutes not only a barrier for SMEs but also a broader constraint on economic growth, raising questions about the sustainability and financing of innovative business models that could offer alternative solutions to this liquidity crisis.

4.1. Causes of Credit Tightening

The tightening of bank credit, a phenomenon observed in many recent economic contexts, can be attributed to a convergence of interconnected factors influencing the decisions of financial institutions. One of the primary causes lies in the evolution of macroeconomic conditions, marked by heightened economic uncertainty, exacerbated by financial crises and market fluctuations. These factors have led banks to adopt a more cautious stance, prioritizing the security of their assets in the face of economic volatility. As a result, stricter lending criteria have been implemented, significantly limiting access to financing for small and medium-sized enterprises (SMEs) (Soglohoun, 2025).

Another key factor is the tightening of financial regulations introduced in the aftermath of previous crises. Measures such as increased capital requirements and reinforced solvency standards have raised the cost of issuing credit. Under this regulatory pressure, banks tend to minimize their risk exposure by gradually withdrawing from market segments deemed risky—such as SMEs, which are often perceived as less stable and more vulnerable. Moreover, the growing digitalization of financial services has intensified competition, prompting banks to adopt differentiation strategies that favor clients who offer more predictable revenue streams (Anass & Abdelhak, 2025).

Lastly, shifts in investor behavior have further compounded the situation. Investors increasingly prefer to direct their capital toward sectors considered more profitable and less risky. This trend has been reinforced by historically low interest rates which, although designed to stimulate lending, have failed to compensate for the lack of confidence in SMEs' ability to repay loans. Together, these factors have created an environment in which access to credit is increasingly constrained for small businesses, limiting their ability to invest, grow, and ultimately contribute to the real economy. In this context, it becomes imperative for SMEs to explore innovative financing alternatives to overcome the barriers imposed by credit tightening.

4.2. Consequences for SMEs

The tightening of bank credit has significant repercussions for small and medium-sized enterprises (SMEs), which often constitute the backbone of the economy. Due to increasingly stringent lending conditions, SMEs face major obstacles in accessing the financing necessary for their development. This situation not only limits their investment capacity but also undermines their potential for innovation. In the absence of sufficient liquidity, SMEs may be forced to delay critical projects, such as facility expansion or the launch of new products. As a result, their competitiveness in the market may be seriously affected (Mbama, 2022).

Moreover, credit tightening can trigger a domino effect on employment within the sector. With constrained operating budgets and diminished growth prospects, SMEs are often compelled to reduce their workforce. The resulting job losses may exacerbate unemployment rates, particularly in economically vulnerable regions. Additionally, declining investor and creditor confidence in SMEs' ability to deliver returns can lead to broader economic instability, since these businesses are often key drivers of local innovation and regional economic dynamism.

In response to these challenges, many SMEs are turning to alternative sources of financing, such as crowdfunding, private investors, or public grants. However, these solutions are not without risk and require strategic adaptation on the part of business leaders. SMEs that manage to navigate this new financial reality may emerge stronger, while those unable to adjust risk experiencing severe contraction. In sum, the consequences of tightened bank credit for SMEs are felt both in immediate financial terms and in long-term outlooks, underscoring the need to evolve toward more diversified and resilient financing models.

5. Innovative Financing Alternatives

In a context where the tightening of bank credit compels small and medium-sized enterprises (SMEs) to explore alternative funding avenues, several innovative solutions are emerging as compelling options. These methods, which go beyond traditional models, offer entrepreneurs the flexibility and agility needed to navigate an often unpredictable economic environment.

Crowdfunding has established itself as a leading tool for SMEs in search of capital. This model relies on mobilizing a broad base of contributors—often through digital platforms—thereby allowing diverse projects to resonate with the general public. Entrepreneurs can present their ventures in detail to potential backers with the aim of raising funds. The success of this method depends heavily on the ability to generate engagement and emotional connection, making contributors feel like active participants in the entrepreneurial journey. Furthermore, crowdfunding serves not only a financial function: it also allows entrepreneurs to test market interest, build a community around a product or service, and generate buzz and visibility.

In parallel, venture capital represents a dynamic alternative, particularly for innovative SMEs with high growth potential. Venture capital investors provide not only financial resources but also strategic expertise and valuable professional networks. In return, they typically seek equity stakes in the business, thereby accelerating the company's growth trajectory. However, this route is often highly competitive and demanding, requiring a strong project presentation. SMEs must demonstrate a viable business model and a clear development plan to attract investor attention.

Another innovative form of alternative finance is peer-to-peer lending, which facilitates borrowing directly between individuals without traditional bank intermediation. These loans are often managed by online platforms that ensure the security of transactions. This system creates an environment where borrowers can access more favorable conditions than those typically offered by conventional banks, while lenders benefit from potentially attractive returns. Whether through crowdfunding, venture capital, or peer-to-peer lending, these alternative financing methods not only diversify the financial landscape for SMEs but also foster a more collaborative and dynamic approach to entrepreneurial finance.

As a result, such innovative solutions are becoming essential pillars of SME resilience and growth within an ever-evolving economic ecosystem.

5.1. Crowdfunding

Crowdfunding is emerging as a significant alternative to traditional financing for small and medium-sized enterprises (SMEs), particularly in a context where tightened bank lending restricts access to capital. This model is based on the idea of pooling funds from a large number of contributors—often via online platforms—to support projects ranging from technological innovation to community-based initiatives. By allowing entrepreneurs to mobilize a supportive community around an idea, crowdfunding fosters a sense of transparency and accountability that may be lacking in more conventional financing models (Izza, 2024).

The crowdfunding process typically unfolds in several key stages. First, the entrepreneur must develop a clear and compelling presentation of the project, including financial goals, a detailed budget, and a communication strategy. Next, the fundraising campaign is launched on a crowdfunding platform, where the project is presented to the public. Potential contributors can then choose to support the initiative, often in exchange for non-monetary rewards, equity stakes in the company, or simple recognition as backers. This direct interaction also enables entrepreneurs to gauge market receptiveness prior to the official launch of their product or service, providing valuable feedback.

However, despite its clear advantages, crowdfunding is not without challenges. Entrepreneurs must find ways to stand out in an increasingly crowded space, and their success often depends on their ability to mobilize an audience and maintain consistent engagement. Furthermore, regulatory aspects—particularly those concerning investor protection and contributor rights—vary across jurisdictions and can complicate the crowdfunding landscape. In sum, crowdfunding stands out as an innovative and dynamic self-financing mechanism for SMEs, but its effectiveness relies heavily on preparation, marketing strategy, and the capacity to engage and sustain supporter interest. It opens up promising opportunities while underscoring the importance of a strategic and well-structured approach (Ameziane & Benmetir, 2024).

5.2. Venture Capital

Venture capital is a key financing avenue for small and medium-sized enterprises (SMEs) seeking to grow in an economic environment often characterized by cautious bank lending. This financing model involves investors providing capital in exchange for equity stakes in companies, and is particularly oriented toward projects considered high-risk but with strong growth potential. Venture capital investors—typically specialized firms, investment funds, or business angels—generally intervene during the seed or early development stages. Beyond financial resources, they also offer strategic guidance, access to professional networks, and operational expertise, which can be critical for the structuring and expansion of an SME.

The venture capital dynamic relies on proactive project evaluation and a long-term pursuit of significant returns. Investors place bets on innovative companies, particularly those involving emerging technologies or disruptive business models with strong potential. However, venture capital also comes with notable challenges: equity dilution for founders, the need for rigorous management to meet investors' return expectations, and the inherent risk of failure, which often results in heightened pressure on executive teams. In France, the venture capital market has experienced significant growth in recent years, supported by government policies that encourage innovation and entrepreneurship, as well as shifting cultural attitudes that increasingly embrace risk-taking and startup creation (Bensaid, 2023).

As SMEs represent a vital component of the economy, venture capital support can play a decisive role in helping them overcome traditional financial constraints. For these businesses, it is essential to understand not only the benefits of venture capital—in terms of resources and mentorship—but also the long-term implications of this type of financing. In sum, venture capital stands as a powerful lever for SMEs that aspire to innovate, diversify, and expand into new markets, all while navigating a continuously evolving economic landscape.

5.3. Peer-to-Peer Lending

Peer-to-peer (P2P) lending is emerging as an innovative and flexible financial alternative for small and medium-sized enterprises (SMEs), particularly in a context marked by the tightening of bank credit. This form of financing is based on a model in which individuals—often through digital platforms—lend directly to entrepreneurs, thereby bypassing traditional financial institutions. This process not only attracts potential lenders seeking returns on their investments but also opens new opportunities for SMEs that are often viewed as high-risk by banks.

The rise of peer-to-peer lending can be attributed to several factors. On one hand, these platforms offer faster and more flexible access to funds, allowing businesses to meet their capital needs without undergoing the lengthy bureaucratic procedures typically associated with bank financing. On the other hand, P2P lending promotes transparency and direct communication between lenders and borrowers, facilitating the creation of personalized, trust-based relationships. This can result in more competitive interest rates for SMEs, which may also benefit from more favorable repayment terms due to the flexible nature of such agreements (Coulibaly & Fomba, 2024).

However, this financing model is not without challenges. Individual lenders are exposed to default risk, which may deter them from investing in businesses perceived as unstable. Moreover, the still-evolving regulatory landscape in many regions highlights issues of information asymmetry, potentially undermining overall confidence in the system. Despite these challenges, peer-to-peer lending continues to grow, supported by technological innovation and the desire of SMEs to diversify their financing sources. In sum, peer-to-peer lending offers an appealing solution to the SME financing gap, while requiring careful oversight of its mechanisms and regulatory framework in this rapidly evolving sector.

6. The Impact of New Technologies on SME Financing

The impact of new technologies on the financing of small and medium-sized enterprises (SMEs) is profound and manifests itself across various dimensions, including online financing platforms and the use of blockchain technology. These innovations have radically transformed the traditional financing landscape by introducing new opportunities, while simultaneously presenting challenges that require continuous adaptation from economic actors (Ferdj, 2023).

On one hand, online financing platforms—such as crowdfunding and peer-to-peer lending—have greatly facilitated access to capital for SMEs, which often struggle to secure traditional bank loans. These platforms enable entrepreneurs to raise funds directly from individuals or institutional investors, bypassing the often complex and restrictive vetting procedures of traditional banks. For example, platforms like Kickstarter and Indiegogo facilitate the financing of innovative projects through non-monetary rewards, while services such as Mintos or Funding Circle enable direct lending between individuals. This model not only diversifies funding sources but also increases the visibility of SMEs among potential investors, thereby reducing their dependence on conventional financial institutions.

On the other hand, blockchain technology and smart contracts represent a significant advancement in transparency and security within the financing ecosystem. By providing immutable and verifiable records of transactions, blockchain significantly reduces the risk of financial fraud and ensures fund traceability. Smart contracts, in particular, automate the execution of financial agreements, ensuring that contractual terms are met without the need for intermediaries. This can result in significantly lower transaction costs and faster financing processes. By integrating blockchain, SMEs can also

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develop more flexible financing solutions tailored to their specific business models, while simultaneously enhancing investor trust (Ahnach & Tounsi, 2024).

In conclusion, the integration of these new technologies is not merely a passing trend but a necessary evolution in SME financing. The ability to navigate these new dynamics may well determine the success or failure of enterprises in an increasingly competitive economic environment.

6.1. Online Financing Platforms

Online financing platforms have emerged as a dynamic response to the challenges posed by tightened bank credit for small and medium-sized enterprises (SMEs). These platforms offer an accessible and often less restrictive alternative for raising funds, positioning themselves as intermediaries between investors and entrepreneurs. By facilitating digital connections, they utilize various financing models—including crowdfunding, peer-to-peer lending, and online equity investment—each offering specific mechanisms that allow SMEs to attract potential investors while minimizing the often burdensome administrative requirements of traditional banking channels.

Crowdfunding stands out for its ability to mobilize a large number of small investors, often in exchange for rewards, products, or equity stakes in the company. This not only provides immediate financing but also serves as market validation, as investors actively participate in the company's value proposition. Peer-to-peer lending, on the other hand, enables SMEs to bypass traditional banking constraints by borrowing directly from individuals willing to lend their funds, often at competitive interest rates. This rapidly growing form of financing relies on credit scoring algorithms designed to assess borrower solvency, thereby enhancing the transparency of the process (Bouzidi & Benazzou, 2024).

Online financing platforms also benefit from global reach, attracting investors from diverse backgrounds, thus increasing the capital available to SMEs and diversifying their funding sources. The significance of these platforms lies in their capacity to foster an innovation-driven ecosystem, where decentralized financing enables the launch of projects that might have been deemed too risky under traditional funding regimes. As a result, SMEs can not only access capital more efficiently but also position themselves strategically in the market by engaging investors who share their vision. This evolution is reshaping the dynamics of business financing and marks a significant turning point for the future of SME-driven economic development.

6.2. Blockchain and Smart Contracts

Blockchain technology, as a decentralized and immutable ledger, offers transformative potential in the realm of financing small and medium-sized enterprises (SMEs). By enabling greater transparency and reducing transaction costs, it presents itself as an innovative alternative to traditional financing. SMEs—often deemed too risky by banks—can now access funds through blockchain-based mechanisms. These systems reduce reliance on banking institutions by facilitating direct transactions between investors and entrepreneurs. As a result, blockchain can significantly streamline fundraising, making processes more efficient and lowering entry barriers for small businesses.

Smart contracts, through their programmed nature, add an additional layer of automation and security to this financing process. These contracts execute autonomously when predefined conditions are met, thereby ensuring seamless and accurate implementation. In the context of SME financing, this means that funds can be released automatically upon the achievement of specific project milestones or financial objectives. This mechanism not only reduces the risk of fraud but also provides investors with a high degree of confidence in how their funds are managed. Investors can lend with greater assurance, knowing their investments are governed by the self-executing logic of the smart contract (Ndiaye, 2025).

However, the adoption of blockchain and smart contracts in SME financing is not without challenges. Cryptocurrency volatility, regulatory uncertainty, and a general lack of understanding of these technologies among some stakeholders pose significant barriers. Furthermore, the need for an appropriate legal framework to ensure the enforceability of smart contracts across different jurisdictions remains critical. In sum, blockchain and smart contracts hold the promise of redefining the SME financing landscape, while requiring further efforts to overcome current obstacles and fully unlock their potential.

7. Conclusion

Financing small and medium-sized enterprises (SMEs) has become a major strategic issue in today's constantly evolving economic context, characterized by the gradual contraction of bank credit and the growing diversification of funding sources. While bank loans and public subsidies continue to play an important role, access to these resources is becoming increasingly complex—due to heightened caution from financial institutions, stricter regulatory requirements, and broader macroeconomic uncertainties.

In response to these constraints, SMEs are turning to innovative alternatives such as crowdfunding, venture capital, peer-to-peer lending, and emerging technologies like blockchain and smart contracts. While these solutions present numerous opportunities, they also require a deep understanding of underlying mechanisms and a high level of strategic adaptability from business leaders.

The analysis reveals a profound transformation in the SME financing landscape, where traditional models now coexist with more flexible, participatory, and technologically advanced mechanisms. This restructuring of the financing system underscores the need for tailored support, regulation that is both secure and flexible, and an entrepreneurial ecosystem capable of promoting innovation while ensuring the long-term sustainability of businesses.

As such, a comprehensive reflection is needed on how best to articulate the relationship between traditional financing and alternative solutions, with the aim of effectively supporting SME growth, enhancing their resilience, and reinforcing their role in economic recovery and the sustainable transformation of local economies.

Transparency:

The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

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