

ASSESSMENT OF THE CONTRIBUTIONS OF SMALL SCALE ENTERPRISES TO THE DEVELOPMENT OF THE NIGERIAN ECONOMY

Acho Yunusa

Department of Accountancy,
Federal Polytechnic Idah, Kogi State, Nigeria

&

Abuh A. Paul

Department of Social Sciences and Humanities,
Federal Polytechnic Idah,
Kogi State, Nigeria

Abstract

This research examines the contributions of small scale enterprises to the development of the Nigerian economy using Polytechnic Energy Product (PEP) Ventures, Federal Polytechnic, Idah, Kogi State as case study. The main focus of the study is to assess the contributions of small scale businesses to the development of Nigerian economy. To carry out this study effectively, two hypotheses were formulated and data collected through primary and secondary sources, the primary data were collected through questionnaire and personal interview while the secondary data were collected from journals, text books and other relevant literature materials. Samples of twenty (20) respondents were drawn from the staff of PEP Ventures, Federal Polytechnic Idah. The data collected from the respondents were presented using tables and analyzed with the aid of simple percentages (%) and the hypotheses tested using Chi-square (X^2) statistical tool. From the analysis of the study, the findings revealed that effective management of small scale enterprises enhances the development of Nigerian economy. It was also revealed that the financial challenges faced by small scale businesses affect their contribution to the development of Nigerian economy. Based on the findings, the study recommends government should provide friendly business environment in terms of adequate infrastructural facilities, good road network, efficient telecommunication system and uninterrupted power supply to encourage existing and would be small scale business to float their businesses effectively. Finally, business firms should develop and implement policies and strategies that will enable them strive and compete favourably in carrying out their business activities effectively.

Keywords: *Small scale, Enterprises, Economy, Development.*

Introduction

The contribution of small scale businesses to development of any economy have been widely recognized because of their capacity in enhancing industrial output and human welfare. Small scale enterprise consists of the driving force of industrial growth and development of the economy by ensuring diversification and growth of industrial production and the achievement of the basic objectives of developments. Small businesses account for a greater percentage of all businesses in virtually every economy and generate the majority of private sector employment and output. The small scale business also generates employment opportunities thereby reducing the rate of unemployment in the country. The small scale industry utilizes on-local raw materials in carrying out its production. Judging from this present democratic rule, small scale businesses have contributed to the economy in one way or the other. The contribution of Small Scale Enterprises should not be underrated at this critical time of socio-economic and political devastation of the nation, especially if this government must deliver dividend of democracy to the citizenry.

Small scale business enterprises utilize local raw materials and technology thereby aiding the realization of the goal of self-reliance. In Nigeria, governments formulate policies aimed at facilitating and empowering the growth and development of the Small scale enterprises due to their contribution to the Nigeria economy like alleviating poverty, employment generation, enhance human development, and improve social welfare of the people. Therefore, the only avenue to alleviate poverty in a sustainable way is to advance economic growth and development via the creation of employment and wealth. In some developing countries, small scale business enterprises are the center source of income, a breeding ground for entrepreneurs and a provider of employment UNIDO Report (2003) as cited by Kehinde, Abiodu, Adegbuy and Oladimeji (2016).

Small scale businesses constitute a greater percentage of all the registered companies in Nigeria, and they have been in existence for a long time. Many among the small scale industries developed from cottage industries to small enterprises and from small scale to medium and large scale enterprises. Small scale business has been identified as a vehicle for generation of employment opportunities, providing opportunities for entrepreneurial training, development and empowerment for the economy. In the Nigerian economy, the small scale enterprise are the most common form of business; the aim of any economy (either industrialized or not) depends largely on how well managed the small scale industries are, for example, if we take a look at the standard practice of small scale industries in economically developed countries like United Kingdom or United State of America, it can be observed that they depend largely on small scale industries to reach out to the people (Etebefia & Kinkumi, 2013). There is no specific criterion for classifying business enterprise as a small or medium or large globally. In a study carried out by the international labour organization (ILO, 2005) over 50 definitions were identified by 50 different countries for small scale industries. However, in defining small scale industries, references are usually made to quantitative measures such as number of people employed by the enterprise, investment outlay, the annual sales turnover (sales) and the asset value of the enterprise or combination of these measures.

At the moment in Nigeria, following the National Council for Industries NCI (2002) as cited by Etebefia & Akinwumi (2013), small scale industry fall within the categories of enterprise that has a capital of between ₦1.5 million and ₦50 million including working capital but not including the cost of land occupied or if the enterprise has workforce between 10-50 employee. Currently in Nigeria, small scale industries represent about 90% of the industrial sector in terms of enterprise; they also amount to about 70% of the national industrial development if the threshold is set at 10-70 employee and contributed 10% of the manufacturing sector output and a meagre of 1% of gross domestic product; they also contribute significantly to economic development through employment, job creation and sustainable livelihood. This study then forms the basis to investigate the contributions of small scale business to the industrial development in Nigeria Economy using Pep Ventures as the study area with a view of coming out with conclusion and appropriate recommendations.

Statement of the Problem

Small scale businesses do not only represent the country's major opportunities for industrialization, but also contributes majorly to sustainable growth in the area of tax generation, generation of raw material requirements, generation of employment opportunities and also poverty alleviation. In Nigeria, poor economic condition which includes poor finance and inadequate infrastructure, poor managerial competence, etc. have been identified as the most crucial factors affecting small scale business enterprises (Ihua, 2009). Despite their critical role in the country, small scale enterprises in Nigeria has experience high failure rate due to the existence of large scale business enterprises which might serve as a competitive force to them.

Small scale enterprise has been observed to experience high failure rate in Nigeria due to inadequate finance, lack of technical and managerial manpower. These problems have curbs competitiveness along with structural imbalances facing this sector. The deficiency in strategies, approaches and strategic leadership is also another significant reason for the failures of small scale business enterprises in Nigeria. One cannot expect an economy to develop and sustained economic growth and development if the environment is not

conducive enough for small scale businesses. Therefore, this study shall appraise the contributions of small scale business enterprises to the development of Nigerian economy.

Statement of Hypotheses

In line with the above objectives, the following hypotheses were formulated to guide the study:

H₁ Effective management of small scale enterprises does not enhance economic development in Nigeria.

H₂: The financial challenges faced by small scale business cannot affect its contribution to the development of Nigeria economy.

Scope of the Study

In an attempt to carry out this study, it is necessary to have a concentrated area of study. However, the scope of this research is restricted to the contribution of small scale business to the development of Nigerian economy. However, due to time and bulkiness of data to be retrieved, it may not be possible for the researchers to cover the assessment of the impact entire economy. So the study has to be narrowed down to the contributions of small scale business to the development of Nigerian economy.

Conceptual Framework

Definition of Small Scale Business

The definition of a small scale enterprise may vary in different economies of the world but the underlying concept is the same. Small scale business enterprise can be defined in terms of annual sales, asset valuation, net profit, balance sheet totals and the size of the business including the numbers of employees available in the business. Different authors, scholars, and schools have different ideas as to the variation in initial capital, number of workforce, annual turnover, fixed assets invested, physical plants and machineries, market value and the level of development. These features equally vary from one country to the other (Kehinde et al., 2016).

In Nigeria, the Third National Development plan defined a small scale business as a manufacturing establishment which employs not more than ten people, or whose investment in machinery and equipment does not exceed six hundred thousand naira. The Central Bank of Nigeria (1983) in its credit guidelines, classified small scale business as the business with an annual income or asset of less half a million naira (₦500, 000). The Federal Government of Nigeria Small Scale Industry Development Plan of 1980 defined a small scale business enterprise in Nigeria as any manufacturing process or service industry with a capital not exceeding ₦150, 000 in manufacturing and equipment alone. The small scale industries association of Nigeria (1973) defined small scale business as those having investment of capital, land building and equipment of up to ₦60, 000 pre SAP Value and employing not more than fifty persons. The Federal Ministry of Industries (1973) defined it as those enterprises that need not more than ₦500, 000 (pre-SAP Value) including working capital to set up. In 1990 budget, the Federal Government of Nigeria defined small scale enterprises for the purpose of commercial loan as those enterprises with-annual turnover not exceeding ₦500, 000 for merchant loan and those for the purpose of commercial loan as enterprises with capital investment not exceeding ₦2 million (excluding cost of land or a maximum of ₦5 million).

According to Umar as cited in Kehinde et al. (2016), the concept of the small size firm is a relative one and it depends mainly on both the geographical location and the nature of economy that the activity is being performed. A small scale enterprise is a privately owned and operated business characterized by a small number of employees and low turnover. A small enterprise usually only shares a tiny segment of the market it operates in. Small scale enterprises (also, small scale businesses) are essential to the economy for industrial growth and diversification. In Nigeria, small scale industry is not prominently defined and it is not

structurally established in the economy; the reason is attributed to the ambiguous concept of small scale industries. The definition of small scale industry in Nigeria is not static but varied functionally within institutions with emphasis on the size of the investment rather than the number of employees. For example, the Nigerian Industrial Development Bank (NIDB) (2004) defines small scale industry as an enterprise having an investment and working capital not exceeding ₦750,000. In 1979, the Central Bank of Nigeria (CBN) in its credit guideline to banks define Small Scale Enterprise as an enterprise whose annual turnover is not exceeding N500, 000 , it is arguable whether the criteria can still hold today given the high cost of operation resulting from deregulation of foreign exchange and inflationary impact. However the Central Bank of Nigeria (CBN, 2005) defined small scale industry as an industry whose (working capital including land cost)total investment does not exceed ₦2.5 million naira and whose annual turnover ₦12.5 million annually. This definition seems to have recognized the impact of inflation and exigencies.

The Federal Ministry of Industry's guidelines to NBCI defined a small scale enterprise as one with a total cost not exceeding ₦500, 000 (exceeding cost of land but including working capital). Reviewing and harmonizing these definitions, it can be deduced that SSIs are enterprises that have the capacity to employ at most 500 employees and at least 10 employees and has been proven to be the bedrock of any economy. The brain behind every successful small and medium scale enterprise is entrepreneurship which in the words of Olagunju (2004) is an undertaken where one is involved in the task of creating and managing an enterprise for a purpose. The purpose may be personal, social or developmental.

Objectives of Small Scale Business in Nigeria

Small scale businesses have certain goals it's seek to achieve when it perform its functions effectively since enterprise is essentially economic activity, the main objective of small scale is the making profit for the enterprises to survive and it is also importance to the society because of its numerous advantages that lead to growth and development of the economy.

Small scale business performs the major function of providing goods and services to the society in order to improve the standard of living of the citizenries. This is done through the production of more and better commodities and service and their wide spread distribution throughout the society and it also seeks to achieve the objective of economic growth and development in Nigeria.

Benefits of Small Scale Business

The benefits of small scale enterprises to any economy are easily noticeable, they include, contribution to the economy in terms of output of goods and services, creation of jobs at relatively low prices, providing an avenue for reducing income disparities, develop a pool of skilled, semi-skilled and unskilled employees as a basis for the future industrial expansion. Specifically, the benefits of small scale enterprises are given below (Kemi, 2014):

1. **Developing personal relationships:** Small scale enterprises are well placed to build personal relationships with customers, employees, and suppliers. With a small business one can focus on customers you are in contact with one-on-one interaction is as relevant as ever in creating cordial relationships.
2. **Responding flexibly to problems and challenges:** In a small enterprise there is little hierarchy or chain of command. Large businesses may have set ways of operating and established procedures that are hard to change. Small enterprises are sometimes far more flexible. It can also arrive at a quick decision on whether or not it can execute what is required.
3. **Inventiveness and innovation:** Small enterprises are well positioned to introduce and develop new ideas. This is due to their owners not having to report or seek approval from anyone else.

4. **Low overheads:** Due to the small scale of operation, small enterprises have lower overhead costs. They operate in small premises with low heating and lighting costs, and limited rent and rates to pay. Low costs result in lower prices for consumers.
5. **Catering for limited or niche markets:** Large firms with high overheads must produce high levels of output to spread costs. By contrast, small firms are able to make a profit on much lower sales figures. They can therefore sell into much smaller markets.
6. **Capacity Building:** Small scale industries provide a platform for training of indigenous entrepreneurs, which drives the wealth creation process at all levels. It has even been established that SSI is a nursery of entrepreneurship where individual creativity and innovation are the driving force. Therefore, they may be as the university where vast majority of entrepreneur receives training.
7. **Promoting Growth:** In like manner, small scale industries by its nature are such that they are involved in primary and secondary economic activities that depend heavily on locally sourced materials. As such they achieve high value added operations which is a key role in the growth and development of any economy.
8. **Technological Acquisition:** Small-scale enterprises provide vast opportunities for the development of indigenous skills and technology acquisition through education. The "Ibo made product" a concept widely adopted by the part of Nigeria is a glaring evidence of such technological acquisition and this has given impetus to rapid economic development (Odubanjo, 2000).
9. **Poverty Alleviation:** Small scale enterprises play a significant role in combating poverty and economic inequality among citizenry. This scenario is not unconnected to the affordable and relatively low capital requirement to float such businesses. It also engages both skilled, semi-skilled and unskilled workforce thereby creating an avenue of improved livelihood. This is an important role in any economic development process of any nation.
10. **Engine for Economic Growth:** Small scale industries have unarguably been recognized as the main source of economic growth and development in Nigeria, a main avenue for promoting private sector, development and partnership (Basil, 2005).

Economic Role of Small Scale Enterprises in Nigeria

Several economic development advocates have come to realize the significant role of small scale enterprises. They are viewed to be characterized by dynamism, witty innovations, effectiveness and the relative small size allows for faster decision making process in conducting business activities. Governments globally have realized the significance of this category of enterprises and have initiated cumulative public policies to encourage and fund the establishment of small scale enterprises. More so, Basil (2005) argued that small business enterprises are becoming increasingly evident through a robust economy and the mobilization of local resource revolution, reduction in rural-urban migration, uses of industries disposal and creation of employment opportunities which can be achieved by a conscious and systematic policy of development of small and medium enterprises.

Small scale businesses are initially formed in traditional settings such as haircut, weaving etc. This also helps in maintaining craft man ship as well as helping in generating employment, maximize waste by using scrap materials from large firms hence, enhances economic sub - contracting.

- Small scale industries create employment opportunities for a lot of citizens. Through SMEs lot of unemployed citizens and graduates have found employment in small scale enterprises. A lot of small

retail shops, cottage industries, restaurants, poultry farms, and telecommunication/ telephone shops have been initiated and managed profitably by people who would have been unemployed till date. The entrepreneurs have in turn create jobs for other citizens, who serve as support, technical and administrative staff for them (Ayozie, Jacob, Umukoro & Ayozie 2013).

- It has also encouraged self-employment for many graduates both in the rural and urban centres. The spirit of successful entrepreneurship has taken over the drive and doggedness of Nigerians who believe in themselves and in the goal of self-employment, instead of relying on paid employment. For example, in the telephone retail and rental jobs, a lot of graduates and unemployed Nigerians have remained self-employed. Their businesses have expanded to the level of employing some other unemployed citizens.
- Through the initiation of manpower development support schemes, and their involvement in the training and retraining of entrepreneurs, small scale enterprises have provided a pool of potential entrepreneurs and business people who are well equipped to start and successfully manage industries (Ayozie, Jacob, Umukoro & Ayozie 2013).

Contributions of Small Scale Business to Economic Development in Nigeria

The contributions of small scale enterprises to the economy cannot be overemphasized. Besides contributing significantly to reducing unemployment, it forms a avenue centre of the nations' economy because it generates a significant percentage of domestic taxes and producing goods and services using large numbers of labour from the low to middle income categories of citizens; and supplying the goods and services to the general population. In a nutshell, small scale business enterprises represent the largest proportion of the productive population and by extension provide the avenue that keeps the economy running towards technological, economic, political and social development (MOPFED Report cited in Kehinde et al., 2016).

1. **Employment generation:** Before independence government establishment were the major employment of labour but these days with many private enterprises set up by entrepreneurs many people have gained employment with these enterprises and this has reduced the dependence on government establishment and large firms for employment. Small scale businesses employ a greater percentage of the working population in any country. These people employed receive their salaries and wages from these small organizations.
2. **Technological innovation:** Small scale business enterprise brings about technological innovation in Nigeria. In most cases small scale business brings about the emergence of new things in our environment. Most of the managers of small scale business are highly intellectual and with the rate of advancement in technology the managers do not relent instead they carry on continuous research on how to improve on existing technologies. In the studies carried out by Aluko, (1972) and Sonaïke, (1975) it show that small scale businesses in Nigeria acquires or improve domestic technology in the production of several goods such as bakery products, soft drinks, textiles, foot wears and soap production etc. and what seems to have been acquired was just further improvement in the technology of production so as to improve the quality of these goods. This suggests that one of the main contributions of small scale business enterprise to the economy is truly improving indigenous technology (MOPFED Report, 2010).
3. **Improved standard of living:** Standard of living is the level of quality of people in a particular society or country enjoying their living, which is not only affected by their level of income but the quality and quantity of goods and services made available to them. Small scale businesses, whether in manufacturing industry or services industry such as retailing, entertainment, etc. contributes a great deal to uplift the standard of living of the people residing in the society where they are found.
4. **Direct Creation of Wealth and Reduction of Poverty:** Small scale business has helped in contributing to the Nigeria through wealth creation and poverty reduction. Gross National Product

(GNP) is the total monetary value of all goods and services produced in a country within a particular year by increasing output of goods and services. Since a country's levels of economic development are determined by its growth rate from GNP it has contributed to economic development of the country (Igbujor, 2006).

5. **Provision of Technical Innovation:** Innovation has been initiated by establishment of businesses that will bring new ideas to the country and also engineered by businesses seeking to improve their products and services. These innovation have brought tremendous improvement in the economy of Nigeria for example the reform in the Nigeria banking sector with the introduction of computer and internet services was initiated by certain business units and it has helped improved banking services (cited in Kehinde et al., 2016).

Research Methodology

The design of the study is the strategy that guides the investigation throughout the process of research. It is the process of deciding what aspect to be observed, of whom and for what purpose. The procedures usually adopted for acquiring the information needed to structure and address research problems include administration of questionnaires and personal interviews. The advantages of these methods are that they give room for inter-learning. The research design adopted for this study is both descriptive and survey method and descriptive method was adopted in the review of works of other writers while the survey method was used in obtaining raw data from the sampled respondents on small scale business through the questionnaire method. The population of this research comprises of all small scale businesses in Nigeria. However, all the small scale businesses in Nigeria cannot be studied simultaneously, hence PEP Venture; Federal Polytechnic Idah Kogi State is taken as a sample. The Simple Random Sampling (SRS) was used to avoid subjective and bias arising from a personal choice of sampling units. Hence, each member of the population is given equal chance of being selected and a sample size of twenty (20).

The data collected from the study is analyzed with the aid of simple percentages and chi-square (χ^2). Percentage was used for this research because of its ability to transform questionnaire into value and attribute which were quantitative in nature. It also enables the researchers to analyze the variables independently. The formulated hypotheses would be tested using a non-parametric statistic called chi-square, χ^2 the formula for calculating the expected frequency which is given as follows;

$$\text{Expected frequency} = \frac{\text{Row total} \times \text{column total}}{\text{Grand total}}$$

The formula for calculating the chi-square (χ^2) is as

$$\chi^2 = \sum \frac{(Of - Ef)^2}{Ef}$$

Where:

χ^2 = Chi-square

Σ = Summation

Of = Observation frequency

Ef = Expected frequency

In any calculation, the study would either confirm or reject the null hypotheses. The null hypotheses would be confirmed if the discrepancy between observed and expected frequency is so small that the difference could be attributed to chance. However, the null hypothesis could be rejected if the study considers the discrepancy so large that it could not attribute the departure to chance. In addition to the above, there is another consideration in use of chi-square (χ^2) which is important. It is the assumption of a certain level of confidence of error margin. The degree of freedom which is a characteristic is calculated thus:

Critical Value = ($\mu-1$)

μ = Numbers of options

Decision Rule: These are two sets of figures that are relevant to decision making rule in chi-square (χ^2). The rule is that if the calculated values of χ^2 are greater than the tabulated values (or critical values), we accept the alternative hypotheses and reject the null hypotheses or vice versa.

Data Presentation and Analysis

Test of Hypothesis

The two hypotheses earlier formulated will be tested using the chi-square method.

The formula for calculating the chi-square (χ^2) is as

$$\chi^2 = \sum \frac{(Of - Ef)^2}{Ef}$$

Where:

χ^2 = Chi-square

Σ = Summation

Of = Observation frequency

Ef = Expected frequency

Decision Criteria

The decision rule is that if the calculated values of χ^2 is greater than the tabulated value (or critical value), we accept the alternative hypotheses and reject the null hypotheses or vice versa.

Hypothesis One

Ho: Effective management of small scale business does not enhance economic development in Nigeria

Table i

Response	No of Respondents	Percentage (%)
Strongly agreed	11	55
Agreed	5	25
No idea	1	5
Disagreed	2	10
Strongly disagree	1	5
Total	20	100

Source: Researchers' Field work (2018)

Table ii. Contingency Table

Alternatives	O _i	E _i	O _i – E _i	(O _i – E _i) ²	$\frac{(O_i - E_i)^2}{E_i}$
Strongly agreed	11	4	7	49	12.25
Agreed	5	4	1	1	1
Disagreed	1	4	(3)	9	2.25
Strongly disagreed	2	4	(2)	4	1
No idea	1	4	(3)	9	2.25
X² Cal					18.75

$$E_f = \frac{\text{Total Frequency}}{\text{Number of Responses}}$$

$$20/5 = 4$$

Level of significance (α) = 5% (0.05)

Critical Value = $(\mu - 1), \alpha$

Where; μ = No of options

$$= (5 - 1), 0.05$$

$$= 4 (0.05)$$

$$X^2 \text{ Tab} = 9.49$$

Decision: Since X^2 calculated is greater than the X^2 tabulated, ($18.75 > 9.49$) we accept alternative hypothesis and reject the null hypothesis. Hence, we conclude that the effective management of small scale enterprises enhances economic development in Nigeria.

Hypothesis Two

Ho: The financial challenges faced by small scale enterprises cannot affect its contribution to the development of Nigeria economy.

Table iii.

Response	No of Respondents	Percentage (%)
Strongly agreed	7	35
Agreed	8	40
No idea	2	10
Disagreed	1	5
Strongly disagree	2	10
Total	20	100

Source: Researchers' Field work (2018)

$$\text{Expected frequency} = 20/5 = 4$$

Table iv.

Contingency Table

Alternatives	O _i	E _i	O _i - E _i	(O _i - E _i) ²	$\frac{(O_i - E_i)^2}{E_i}$
Strongly agreed	7	4	3	9	2.25
Agreed	8	4	4	16	4
Disagreed	2	4	(2)	4	1
Strongly disagreed	1	4	(3)	9	2.25
No idea	2	4	(2)	2	0.50
X² Cal					10

$$E_f = \frac{\text{Total Frequency}}{\text{Number of Responses}}$$

$$20/5 = 4$$

Level of significance (α) = 5% (0.05)

Critical Value = $(\mu - 1), \alpha$

Where; μ = No of options

$$= (5 - 1), 0.05$$

$$= 4 (0.05)$$

X^2 Tab = 9.49

Decision: Since X^2 calculated is greater than the X^2 tabulated, ($10 > 9.49$) we accept and reject the null hypothesis. Hence, we conclude that the financial challenges faced by small scale business affect its contribution to the development of Nigerian economy.

Discussion of Findings

The research analysis revealed that effective management of small scale enterprises enhances economic development in Nigeria. This is in line with Odubanjo (2000) who noted that small scale industries provide industrial opportunities for the development of local skills and technology acquisition through education. The “Aba Made Goods Syndrome”, a concept adopted by some Nigerians is a clear manifestation of such technological acquisition and this gives force to rapid development in the economy.

The study also revealed that the financial challenges faced by small scale business affect its contribution to the nation's economy. This is in line with the view of Adelaja (2003) who argued that the access to institutional finance has always constituted a pandemic problem to small scale business development in Nigeria.

Conclusion

There is no doubt that small scale businesses are essential for rapid and sustained economic growth and development because they create employment, enhance capacity building for manpower and skills development, promote growth, reduce poverty, and facilitate industrial development among others. Several efforts have been made by successive governments to promote SSBs amidst the vast availability of human and materials resources. These efforts have made small scale businesses to contribute significantly to the development of the Nigerian economy.

In spite of government policies aimed at providing financial and technical support for the promotion of small business enterprises in Nigeria, they have performed less satisfactorily largely because of operational bottlenecks including lack of depth of the financial system, inadequate infrastructural facilities, poor management practices and low entrepreneurial skills to mention but a few. Banks which are supposed to provide adequate credit facilities in compliance to government policies, usually place exorbitant interest rate alongside huge collateral securities that scare away investors. Despite all these bottlenecks, small scale businesses have contributed significantly to economic, social and industrial development of the country.

Recommendations

Based on the exploratory survey of this study, the research makes the following recommendations:

- i.** Government should provide friendly business environment in terms of adequate infrastructural facilities, good road network, efficient telecommunication system and uninterrupted power supply to encourage existing and would be small scale business to float their businesses effectively.
- ii.** Business firms should develop and implement policies and strategies that will enable them strive and compete favourably in carrying out their business activities effectively.
- iii.** Government through its agencies such as Small and Medium Enterprises Development agencies of Nigeria (SMEDAN) etc should develop a holistic approach to provide adequate training and workshops/seminars for small scale business owners so as to update their skills.
- iv.** Small scale enterprises should be given opportunities to access soft loans as well other technical assistance so as to broaden the opportunities to strive effectively.

References

- Afolabi, M.O. (2013). "Growth effects of Small and Medium Enterprises (SMEs) Financing in Nigeria". *Journal of African Macroeconomic Review*, Vol. 3, No. 1. (1-12)
- Adelaja, O. (2003). Promotion of Small Scale Enterprise and their Contributions to the Economic Growth. Retrieved on February 13, 2014 www.nairaproject.com
- Akamahor, G.A. (1996). "Financing Small Scale Enterprises". CBN Billion Volume 8. No. (3, 9-15).
- Aluko, S.O. (1972) and Sonaika (1975). The Contributions of Small Scale Business in Changing a Depressed Economy, Retrieved, January 25, 2014 from <http://www.scribd.com/doc/20573358/The-Contribution-of-Small-Scale-Business-in-Changing-a-Depressed-Economy>
- Asaolu, A. (2005). Promotion of Small Scale Enterprise and their Contributions to the Economic Growth. Retrieved on February 3, 2014 from www.nairaproject.com
- Ayozie, D.G., Jacob, S.O., Umukoro, F. and Ayozie, V.U. (2013). Small and Medium Scale Enterprises (SMES) in Nigeria: The Marketing Interface. *Global Journal of Management and Business Research*, 12(9):2249-4588.
- Basil, A.N.O. (2005). Small and Medium Enterprises in Nigeria: Problems and Prospects St. Clement University.
- Emmanuel, O.O. and Daniya, A.A. (2012). Development of Small and Medium Scale Enterprises: The Role of Government and Other Financial Institutions. *Arabian Journal of Business and Management Review*, 1(7) (na).
- Etebefia, O.S. and Akinkumi, B.W. (2013). The Contribution of Small Scale Industries to the National Economy. *Standard Research Journal of Business Management*, 1(2):60-71.
- Harris, O. and Sauzer, D. (2006). The Contribution of Small Scale Industries to the National Economy, *Standard Research Journal of Business Management*, Vol. 1(2):60-71.
- Ihua, R. (2009). Small and Medium Enterprise and Economic Development. *Pakistan Journal of Business and Economic Review*, Vol. 2(1): 2220-5829.
- Kehinde, O.J., Abiodun, A.J. Adegbuyi, O. and Oladimeji, H. (2016). Small and Medium Scale Enterprises: Pivotal to Sustainable Economic Development: The Nigeria Experience.
- MOPFED Report (2010). Performance and Contribution of Small Scale Enterprise in Northern Uganda. *Prime Journal of Business Administration and Management*, Vol. 2:649-654.
- Nwabia, P.A. (2015). Financial Management. Kaduna: Euneeks & Associates.
- Okigbo, P.N.C. (1981). *Nigeria Financial System Structure and Growth*. United Kingdom: Longman Group Limited.
- Oyeleran, O. (2012). The Role of Small Scale Industry in National Development in Nigeria, *Universal Journal of Management and Social Sciences*, Vol. 1(1).
- Sonaika, (na) (1975). The Contributions of Small Scale Business in Changing a Depressed Economy, Retrieved on January 25, 2014 from <http://www.scribd.com/doc/20573358/The-Contribution-of-Small-Scale-Business-in-Changing-a-Depressed-Economy>
- Umar, P. (1997). Small and Medium Scale Enterprise as a Survival Strategy for Employment Generation. *Journal of Sustainable Development*, Vol. 4(1), (71-76).
- UNIDO Report (2003). Small and Medium Enterprise and Economic Development. *Pakistan Journal of Business and Economic Review*, Vol. 2(1):2220-5829.
- Yusuf, N.B. (2010). Economics of Small Scale Industries: A Look at Programs for the Growth and Development of Small Scale Industries in Nigeria. In ICBI, University of Kelaniya, Sri Lanka. Pp. 2-5.