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Abstract

The small-scale business enterprise operates in the same environment with its medium and large scale counterparts. Due to its size, the smal-scale business enterprise can adapt easily to changing environments and circumstances faster than the other forms of businesses. This paper examines the various political environments under which the small-scale busines enterprise operates, and the business opportunities open to it during political transition periods in sub Sahara Africa. The paper finds out that the democratic capitalist environment offers the small-scale enterprises the best opportunity to thrive and identifies several business opprtunities open to them during political and regime transition periods in sub-sahara Africa. The paper recommends that the small-scale enterprises should mix business with politics in order to exploit these business opportunities open to it in its area of operation during political transition periods in the region.

Keywords: small-scale enterprise; environment; ideology; political transition, regime transition; role perception; role expectation.

Introduction

Most countries in sub-Sahara Africa became independent from colonial rule in the 1960s. Due to the inability of the civilians to rule well, and or, agree to adhere to peaceful means of transiting from one civil regime to the other, the military often intervene in the political administration of most of the countries in the region, the cases of Mali and Guinea-Bissau being the most recent. Some of the countries within the sub-region have passed through several military regimes andseveral protracted transitions to civil rule and through civil wars that devastated their nations before finally transiting to civil democracies. Within the transition periods, lots of business opportunities exist for the small-scale enterprises to exploit in order to contribute to the political and economic development of the region because the success or failure of any business unit largely depends on its political environment.

The political environment of a country shapes and influences investment patterns in the country. Politically stable countries are in better positions to have stable economies and to attract foreign investments faster than politically unstable nations. And the political environment of the country has an impact on the global economy. When in 1976, the military administration of General Olusegun Obasanjo promulgated the Indegenisation Decree that led to the nationalisation of foreign businesses in Nigeria, foreign investors saw Nigeria as an



unsafe area for investment. This affected the economic development of the country. Furthermore, the prices of export commodities as oil, copper, gold, coffee, and exchange rates for local curencies oscillate with global political events because businesses are influenced by their political environments.

In Nigeria prior to the 1993 general elections, there were rumours of "Uncle Abiola's" rice, zinc, milk, etc. And this led to a downward trend of prices of commodities in the country then. The Naira appreciated against the Dollar and other major currencies then. But with the annulments of the June 12, 1993 election results in Nigeria, market prices changed overnight. These show that the political environment in a country determines the level of economic activities in the country and internationally. Therefore, the performance of any business unit is a function of the political environments under which the business enterprises operates.

Statement of the Problem

Various sizes of business units exist in the country, and they are categorised as either small, medium, or large scale businesses. They all operate under the same environments and are faced with almost the same opportunities, problems and prospects depending on the industry the firms or enterprises find themselves. It, therefore, becomes very pertinent to investigate or examine what constitutes a small-scale business enterprise; the nature of the environments under which it operates; and what business opportunities are open to the small-scale business enterprises in sub Sahara Africa especially during political transition periods; and what the enterprises should do to exploit these business opportunities in the various countries within the sub-region.

What is a Small Scale Business Enterprise?

A small-scale business enterprise is a privately owned and operated business with a small capital base and relatively small number of employees. There are as many definitions of small-scale business enterprise as there are writers on business organisations. In the West African sub-region, there is no generally agreed upon definition of what constitutes a small-scale enterprise. In Nigeria for instance, the Central Bank of Nigeria (1988) defines it as an enterprise having an annual turn-over not exceeding N500,000, and the Federal Government of Nigeria in its 1990 Budget defined it in a similar tone for the purpose of granting of loans to business enterprises; and the merchant banks in Nigeria saw it in terms of capital base – those enterprises with capital investment not exceeding five million Naira (N2,000,000) excluding cost of land or enterprises with a capital base not exceeding five million Naira (N5,000,000); and the National Economic Reconstruction Fund (NERFUND) in Nigeria sees it as one whose capital base does not exceed ten million Naira (10,000,000). These definitions focus more on the capital base of an organization to categorise it as small-scale; medium scale or large scale organisation. Some other definition of a small scale enterprise would look at the staff strength of the organisation as not being above fifty (50).

Within the countries of sub-Sahara Africa, there is no generally agreed upon definition of small-scale enterprise. A small-scale enterprise is generally seen in terms of the definition given above - a privately owned and operated business enterprise with a small capital base and relatively small number of employees. However, the actions of the Ghanian Government against Nigerian small-scale entrepreneurs in Ghana between 2007 and 2012 seem to have added another dimension to the definition. To the Ghanians, a small scale enterprise is "a privately



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owned business operated by the nationals of a country, whose capital base and number of employees is relatively small. This view was adopted as the Ghanian Government has banned aliens in that country especially Nigerians from engaging in a business venture whose capital base is less than \$600,000.

To understand what the small-scale enterprise is, we must take into consideration certain facts that make the definition problematic: whatever definition of a small-scale enterprise we take, if it fails to take into consideration those sets of businessmen and women whose businesses are unregistered as required by the laws of the country; if it fails to take into consideration those men and women whose incomes are unquantifiable like the vulcaniser at the street corner; or the groundnut seller at the campus gate; or hawkers of goods along our major highways, such definition is incomplete.

There are still some other sets of Africans whose annual net incomes or profits from their businesses are below the taxable income as stipulated by the tax law of their countries. Such persons are in business but what sizes of businesses do they operate? There are still those in business whose capital and annual net profits are below their country's gross national product (GNP) for each year, how do we categorise their businesses? There is also the need to know if small scale businesses need to be quoted in any of their nations' stock exchanges for trading purposes or not. These make the definition of small scale enterprise problematic.

For the purpose of this paper, a business qualifies as a small scale enterprise if it meets the following conditions:

1). The firm is independently owned and managed.

2). Its geographical area of operation is unlimited;

3). Its working capital is relatively small (may be below the nation's gross national product for any particular year)

4). It is either registered or unregistered under the laws of their countries of operation

5). Its stocks are not quoted for trading in any of the nation's stock exchanges;

6). And its annual profit may or may not be within the taxable income level as stipulated by the tax policy for the year.

Any definition that fails to take these factors into consideration is faulty. Governmental bodies and agencies may have their definitions and qualifications of a small scale enterprise for the smooth running of the polity and the economy. We can, therefore, see a small-scale business as a privately owned and operated business characterised by small capital base and a small number of employees and low turnover.

What is an Environment?

An environment has been defined by Mussleman and Hughes (1970) as the total of all external factors that influence an individual or a community. Our environment is composed of our surroundings, issues and events that affect us. These issues, events and surroundings, are always changing. Every business entity operates within four distinct environments, and these are the physical; the social; the economic; and the legal/political environments (Mussleman and Hughes, 1970).

The physical environment is composed of the natural resources that are popularly referred to as land in economics. It consists of all God given resources available in a country that could be utilized in the production of goods and services. The economic environment is



similar to the four fundamental questions that guide the production of goods and services in the country – what goods are to be produced; in what a quantity are they to be produced; for whom are they to be produced; and how are they to be produced. The essence of these questions is for the optimal utilisation of available scarce resources in the country as the resources have alternative uses. The economic environment, therefore, is the sum total of the economic system in operation in the country.

The social environment is composed of the attitudes and feelings of the individuals in the society towards business. It deals with the social needs and demands of the people on the business units in terms of their well being. It further embraces what Keith Davis (1977) has referred to as "role perception" and "role expectation". While role expectation involves a pattern of action expected of a person or a group (including business units) in activities involving others; role perception refers to how an individual or group (including business units) thinks, it is supposed to act in a given situation when interacting with others.

The political/legal environment involves the rules and regulations within which the business unit is supposed to conduct its affairs. The laws that regulate business conduct and the behaviour of people in any given society; the political and economic philosophies of the nation and the operation of the various regimes in the country. These go a long way to determine and influence the conduct of business activities. This particular environment determines the pattern of investment in the country by the citizens and aliens alike. When a polity is stable, and its laws have international acceptability, and are conducive to foreign investments, business activities are bound to flourish in such a country. The interaction between the business units and these environments enumerated above shape and determine the growth and profitability of any business venture on the one hand and the growth and development of the society on the other hand. The political environment conditions all the other environments. We can only conserve the physical environment but cannot increase it. The enabling laws on which the business units must operate are dependent on the political system of the country – the political ideologies and philosophies that guide the country. Ideology here means the guiding principles for the conduct of political and economic lives in a country. Many scholars have written on the concept ïdeology". (Cohen, 1982; Easton, 1965; Benewick et. al. 1973; Miliband, 1974; Christenson et. al. 1972; and Rodeeet. Al. 1983)

Christenson et al. (1972) see it as a systematic pattern of political thought that provides a cognitive structure for individual and collective action and judgement in a society. And Rodee et al (1983) see it as logically related ideas that identify the principles that lend legitimacy to political institutions and behaviour. These guiding principles not only regulate political actions and behaviour but also regulate economic activities. These principles are set by the members of the society as legitimate rules for the acquisition, disposal and inheritance of property in the society. Since political and economic activities are interwoven in any given society, political actions are often explained through economic relations, and the economy is better understood only when the superstructures (laws) of the state are understood.

The ideologies are further classified as either of the "left", "center", or, of the "right". The terms left; center and right originated in France in the 17th century as political concepts when at the meetings of the Estate-General, the nobility took their seats at the right hand side of the king and the Third–Estate took their seats on the left hand side of the king. This seating arrangement later progressed into the French Assembly where the deputies sat in a semi-circular



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form starting from the most radical deputy sitting, then the egalitarian on the left; to the most reactionary and aristocratic on the extreme right. Thus we have 'right wing" and "left wing" ideologies. In between, the left and the right is the center.

The "right wings" are those who want change but in the backward direction, to the previous state of affairs (status-quo ante) may be because they are gradually loosing their power and economic positions in the society. They are also called the reactionaries. And the "left wings" are those who want change to a new state of affairs, and they are known as the progressives while those of the center are in support of the status-quo or present state of affairs may be because they are being favoured by the present state of affairs, or are afraid of losing their privileges and positions in the event of any change in the status-quo. They are called conservatives.

These ideologies of left, right and center have their economic interpretations too. In the 19th century, the dominance of capitalism as a mode of production and its support by the wealthy groups in the society who had much to gain by maintaining it became associated with the "right wing". The existing order had to be preserved by the capitalists either by being in alliance with the rulers or by controlling the machinery of government. Its supporters were the reactionary and conservative ideologies and capitalists.

The "left wing" are those who espouse radical departure from existing order to an entirely new order. They espouse socialist ideals of state intervention in the economic life of the society through the public ownership and control of the means of production and distribution of goods and services in the interest of all rather than a few. The public ownership would further facilitate a fair distribution of the wealth of the society and all persons would have equal opportunity of making the most of their special abilities. The socialist society thus established from the views of Karl Marx would develop progressively to a communist state. The various ideologies, their characteristics and political environments provided to the business enterprise are as shown on table I:

Characteristics of Business Entity	Democratic capitalism	Socialism	Communusm
Ownership of means of production	There is private ownership of production resources which is protected by law	There is public ownership of basic industries and some elements of private ownership of smaller production facilities	Virtually all agricultural and industrial production facilities are owned by the state.
Degree of central control	Products and pricing goals are established by private producers and consumers in a competitive market through demand and supply forces	Products and pricing goals are established by the government and personal freedom exists to any occupation production and consumption within this governmental framework	Products and pricing goals are established by the government as well as the resource proportions for production, distribution and consumption of goods and services
Pervassiveness of managerial decision making	Private managerial initiatives are supported by government to promote private enterprises	Managers of firms must obey the central control plans in making business decisions	Managers are selected by the state through political party, are highly bureaucratised and decisions are imposed through state administrative hierarchy

 Table 1: Political Ideologies and their Corresponding Environments to the Business Enterprises in
 a Polity.



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Occupational choices	Individuals are free to choose and bargain for jobs, factors of production and business locations	Individuals may own small enterprises and resources under the state controlled economy	State owns all business enterprises and is the only employer
Incentives	Incentives are monetary and social in the forms of profits, prestige and self control	Each contributes to the economy according to his ability and receives according to his needs	There is nationalistic appeals through peer pressure to conformity; public recognition; threats of punishments for non- conformity to rules and work standards

Source: Musselman and Hughes (1977) p.42

From the Table 1. Above, it is clear that the most conducive political environment for business activities is democratic capitalism (free-market democracy) because it allows and grants the individuals the right to own property. Every private enterprise is built on the idea of private property; that is, on a system under which individuals are free to supply their own capital and operate their own businesses be they small-scale, medium-scale or large-scale enterprises. It also allows private enterprises to be profit oriented. That is; earning profit is a necessary condition for the survival of any business enterprise as the absence of profit would imply business failure.

Democratic capitalism gives the individual the opportunity to compete with others in the economic sphere, with competition being seen as "the practise of trying to get something that is being sought by others under similar circumstances at the same time" (Musselman and Hughes,1977). Finally, democratic capitalism allows the individual the freedom of choice and contract. an individual under the system decides whether to be an entrepreneur or an employee in another business. This freedom of choice is the hallmark of all free market democracies because all other things depend on it. The individual also has the right to exchange goods and services on terms that are acceptable to him and is protected by law. The economic and political freedoms, civil liberties and rights are so interwoven that capitalism is equal to and identical with democracy.

Democratic Development and the Small Scale Enterprise

A host of scholars have written on the demoratic theory (Downs,1957; Popper, 1950; Christenson et.al. 1972; Leeds, 1978; Appadorai, 1975; Cassinelli, 1961; Schumpeter, 1950; Lipset 1960;1983; Ollawa, 1983). A society is democratic if it upholds the political equality of all persons in the society; if it guarantees limited government involvement in the lives of the people; if it guarantees free enterprise,check on the abuse of power by those in authority through the separation of power and the rule of law; and if it guarantees the adoption of civilised methods in the struggle for state power and peaceful succession of national leaders. As Popper (1963) observed, "democracy is not emphatically a rule of the people because it is the government that rules. But the rule of law that postulates the bloodless election and dismissal of the government or a political office holders by a majority vote. If the majority has mistakenly elected a dictatorship into power, democracy also implies that the people should have the ability to remove such government through the same process as it had installed it into power" This does not involve what Rodee (1983) has called "dictated plebiscite" – an election procedure employed by undemocratic regimes to coerce the electorate into expressing approval of a measure or candidate considered necessary by a regime.



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From Downs' (1957) point of view, a political system is democratic if it is "characterised by periodic elections, adult vote and suffrage, one-man-one-vote, parties contesting elections, majority government, and rationally behaving political structures and institutions" A nation that grants its citizens political liberties is democratic. Political liberty in this context would involve equal rights of all normal adults to vote and to stand as candidates for election; equal eligibility for executive and judicial offices provided the essential qualifications for the performance of these duties are met; freedom of speech, publication and association (Appadorai, 1983). In a pluralist societies, democracy would further imply that no one ethnic group should be strong enough as to dominate the political process of the country. This can be done through separation of powers and check and balances; local self-government; wide distribution of resources among the citizens; a distinction between the duties and roles of the government, individuals and groups in the society.

Democracy would also involve the recognition of the rights of the minorities; organised opposition by the minorities to make government by dialouge possible; and the cultivation of the spirit of tolerance. It would also involve the operation of an open society for free communication of information and ideas by the people; a society where people are free to enter and leave the country without undue restrictions; and freedom to emigrate if possible. The political processes of the sub-Sahara nations would be democratic if the democratic values enumerated above are prevalent and upheld by the governments of the countries.

The democratization process in the sub-Sahara Africa should not only involve the institutionalization of rationally behaving political structures and processes conducive to the establishment of a democratic polity, but also a reform of the economy, giving it a free-market orientation that is characteristic of a true democracy. The economy can be given a free-market orientation by revisiting the privatisation and commercialization of government owned parastatals that were improperly done as the nations are yet to feel the impact of the exercises.

Political transition implies moving from one ideological orientation to the other, especially from the socialist and communist ideologies to a democratic ideology. and the transition is consolidated when a democratic regime transits from one government to another peacefully over a long period of time (regime transition). Because each ideological orientation has its own characteristics, opportunities, privileges and business environments, a Russian businessman Anis Mukhametshin (1995) during the democratisation process in Russia said "little by little, the authorities are starting to realise that it is us the entrepreneurs who are going to help Russia most"

Political Transition and the Small-scale Enterprise

During each transition period in the region, leaders of the political groups are busy working out strategies that would enable them meet the guidelines for the formation and registration of political parties. Because of the stringent conditions attached to the formation and registration of political parties, and ethnoreligious diversities of the countries, it becomes imperative that the services of business enterprises would be required for the parties to be successful.

In 1986, General Ibrahim Babangida released a transition to civil rule agenda for Nigeria under which thirteen political associations applied for registration as political parties. The political associations were refused registration and were accused of "factionalism; falsification of claims; disregard to the registration guidelines; and frivolous spending" by



General Babangida's military regime. In 1989, a new guideline that allowed four weeks to the political associations to register with the National Electoral Commission of Nigeria (NECON) stipulated new conditionalities for the associations to register as political parties. The conditionalities included:registration fee of N500,000 per party as opposed to the initial fee of N50,000 in 1986; a membership strength of 480,000 as opposed to 40,000 in 1986; and 15,000 members in the Federal Capital Territory of Abuja.

In the new guideline, each political association was to furnish NECON with the names, addresses and photographs of their members at all levels of governance to facilitate verification. And in the new guidelines, the amount of donation from an individual to the political association was limited to N100,000 whereas, in 1986, there was no limit to amounts to be donated. Furthermore, the political associations were barred from receiving external grants from whatever sources for political purposes or any other activity relating to the association.

The political associations were also barred from having youths and women's wings, the use of thugs and para-military outfits. Civil servants, traditional rulers and members of the armed forces were also barred from participating in politics. Above all, political associations seeking registration as political parties must show evidence of national outlook – having members across all ethnic nationalities in the country. With the stipulation on membership, it became obvious that only men and women in business can become members of the new political parties. And for the amount required for the registration, only businessmen and women can afford to contribute the amount within so short a period. This paved the way for politics to become a big business in Nigeria.

The conditionalities for transition to civil rule did not go down well with the citizens as the government and the electoral body came under heavy criticism from the public. The measures people said were too stringent for implementation, and that the time limit for registration was too short for prospective political associations to comply with the guidelines. This argument not withstanding, any serious political association that wished to beat the deadline would have sought for the services of small-scale business enterprises, but none did. The thirteen political associations that applied for registration failed to meet the guidelines and were disqualified and accused of factionalism, falsification of claims, disregard to the registration guidelines and frivolous spending. The military administration of General Ibrahim Babangida, therefore, formed and funded two political parties for the nation – the National Republican Convention (NRC) and the Social Democratic Party (SDP) for anyone that wanted to go into partisan politics to join either of the parties.

Business Opportunites open to the Small Scale Enterprises in the Political Transition Periods

There are a great deal of business opportunities for the small-scale enterprises in the following areas: consultancy, lobbying, catering, free-lancing and public relations; production and supplies of party consumables, and transportation.

Consultancy services in:

- 1. Organization and management of party offices
- 2. Membership drive
- 3. Fund-raising
- 4. Organization and management of political campaigns



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- 5. Organization and management of political congresses
- 6. Supply of office staff

Lobbying outfits

- 1. Lobbying for party mergers
- 2. Lobbying for compromises in candidates nomination
- 3. Lobbying for reconciliation of factions within the party
- 4. Lobbying for negotiations within and outside the party
- 5. Agents of party machines

Catering services

- 1. Catering services during party meetings
- 2. Catering services during party campaigns
- 3. Catering services during party congresses
- 4. Catering services during elections for party agents

Free-lancing and public relations

- 1. Speech writing
- 2. Script writing (news analysis, situation reports, etc.)
- 3. Propoganda and shadow debates
- 4. Photographs for members
- 5. Photo journalism
- 6. Posters and stickers production
- 7. Bill-boards and outdoor advertising
- 8. Advert placement on print and electronic media
- 9. Video coverage of campaigns and elections
- 10. Biographies of members and candidates
- 11. Image making for candidates
- 12. Public opinion research

Production and supplies of party consumables

- 1. Party emblems
- 2. Letter heads, envelopes and stationery
- 3. Supply of office equipments
- 4. Servicing of equipments (including vehicles and office equipments)
- 5. Production of almanacs
- 6. Production of party identity cards
- 7. Production of posters and handbills
- 8. Production of gift items. (party vests, blaizers, caps, bags, calendars, pens, pencils and exercise books bearing party emblems/candidate's photographs for distribution to pupils and students in schools).
- 9. Automobiles and motor-bikes supplies and maintenance
- 10. Sign writings on party property

This in effect means that the small-scale enterprises have a lot to do before and during each transition period. The management consultancy firms and public relations firms for instance could help the parties in the membership drive. By combining the scalar principle and the functional principles in management to penetrate all nooks and corners of the society recruiting members for the parties.



They also could get involved in opinion poll, forecasting and opinion analysis. The gathering and analysis of scientific data are essential in virtually all elections no matter their accuracies or inaccuracies. This helps the politicians to know what the people want and how the people feel about a candidate, party, or issue. (Lemann, 1980; Bonafede, 1981)

The small-scale enterprises can help the parties raise the necessary funds for their operations. They could do this by direct solicitation from targeted members of the public who due to their business interests would wish to remain anonymous or politically neutral. They could also sell party membership cards, items with party emblems; organise fund raising campaigns in favour of honest candidates that lack the financial base to engage actively in politics. They could also raise funds for the parties through the organisation of musical shows, football matches, dinners, etc.

The small-scale enterprises could get involved in campaign management for parties and candidates. This phenomenon has become the most interesting aspect of national politics in Europe and America. The old method of candidate selection by an "inner caucus" of the party or the party machine has been done away with, and candidates are now groomed for various political offices by professional campaign managers and consultants. This phenomenon is known as "the new politics".

Politics is no longer 'just a business", but a big business in terms of the amount of money being spent on it by prospective candidates and interest groups. With politics turning into a big business, electioneering campaign outfits have dominated the advertising and marketing industries. Have you ever wondered why there are many privately owned newspapers, weekly magazines, radio and television houses across the region today? Politics and money. Professional political campaign managers are image makers for the politicians and political parties. During the 1983 general elections in Nigeria, a particular campaign sticker produced for the late Dr. Sam Mbakwe of the then Imo State was reputed to have sold more than five million pieces in the state. The sticker simply read "MBAKWE MAKES THINGS HAPPEN".

Mixing Business with Politics

Most of the business opportunities enumerated in this paper cannot be available to the small scale enterprises unless their owners are prepared to participate actively in politics. If the business unit as an entity cannot, their operators can. Contracts for these jobs are only given out to faithful party members and sympathisers. Where the business units are prepared to be partisan, they could:

- 1. Form business pressure groups
- 2. Form political parties
- 3. Make financial and material contributions to parties and candidates where the law permits.
- 4. Sponsor political discussion programmes on the radio and television for various parties and candidates
- 5. Campaign against any candidate of dubious character irrespective of his or her party affiliation.



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Benefits of Mixing Business with Politics

Through the patronage system, businessmen get appointments into key government positions where they are expected to use their vast knowledge in business in solving some of the administrative problems of the government. This alternation between political career and business career leads to stability and continuity in government and administration.

Businessmen that are active in partisan politics get contracts from the parties when the parties get into power. Owners and managers of enterprises would benefit by applying their political experiences to business transactions and use their political experiences in practical business of the organisation. Political considerations are essential in helping the managers or supervisors keep on top of situations in their enterprises and control conflicts for constructive purposes.

Politics within an enterprise implies maintaining a balance of power, saving face, horse trading, fence mending and making maneuvers in dynamic situations. Organisational politics kept under the control of the manager will help him accomplish the organisational goals. If he lacks sufficient power, he will not be able to take effective decisions. Even union officials with good knowledge of organisational politics would be able to get their ways. Politics exists in the business enterprise and the managers and workers need to be aware of the political aspects of their environments.

Summary and Conclusion

As noted earlier, free market economy with its enabling democratic political practices is the only political environment that allows for free competition among the people. The competition takes place for the purpose of power and prestige among participants, security, economic growth and gains. The competition is not aimless but purposeful because the individuals and their businesses would want to shape the environment and circumstances that affect their lives and well-being. Though the political parties are the major contestants for state power, without the business units aiding them one way or the other, the struggles and contests may be without positive results.

As Appadorai (1977) rightly observed, social inequalities as economic resources and natural endowments affect the extent to which individuals exercise their political rights in almost all democratic nations. This has necessitated the involvement of small-scale enterprises in national politics to help bridge the social inequalities. Since conflict, competition, compromise and cooperation are inevitable orders os social life, and wealth, skills, and individual capabilities are unevenly distributed within any human population making conflicts and competition more fierce, the fortunes of both individuals and groups must oscillate with variations in the political arena (Appadorai, 1977). The small scale business enterprises have great opportunities open to them through the political process. They only need to legitimately explore these opportunities during and after transitions, but these have to be done within the ambit of the law.



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