



## Investigating the Influence of Small-Scale Enterprises in the Industrial Advancement of Ogun State

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### ABSTRACT

This research investigation delves into the influential role of small-scale enterprises in propelling the industrial development of Ogun State, Nigeria. Small-scale enterprises (SSEs) are pivotal contributors to economic growth, innovation, and job creation. This study examines their impact on the industrial landscape, focusing on key dimensions such as local industrial growth, employment generation, and technology diffusion. The study also explores challenges encountered by SSEs and identifies potential strategies for harnessing their potential more effectively. The findings of this research hold practical implications for policymakers, entrepreneurs, and stakeholders keen on fortifying the industrial sector of Ogun State. Recognizing the dynamic influence of SSEs on industrial growth allows for informed decision-making and targeted policies to promote sustainable industrial development and economic prosperity within the state.

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## **INTRODUCTION**

Development of firms has been a matter of great concern and priority to many nations of the world. It could be understood from economic history that many advanced countries of the world which has attained the height of industrialization started as a small and medium scale enterprises which later metamorphosed into giant cooperation. In the past, industrial development processes were slow and painful and the advancement in technology in developed countries resulted from the survival of the cottage firms which were nurtured, pampered and breastfed to grow up as big industrial corporations today. Since the early, 1990's a number of initiatives have come to dominate the economic growth agenda of many donors and public agencies. These initiatives arose as a response to, or an interpretation of, the increasing effects of market globalization on the economies of developing countries.

Analyses that only looked at domestic markets were no longer adequate to understanding the dynamics that affected the incomes and livelihoods of poor households almost anywhere in the world. With the increase in globalization, resource-driven comparative advantage diminished in importance, while competitive advantage, created by private and public stakeholders, rises. And with its rise, the importance of theories that could help us understand and manipulate the dynamics affecting economic growth including competitiveness, value chain analysis, and economic cluster theory. As a result of increased globalization and a shift in jobs from developed to developing economies ethical issues emerged. These were largely in response to labour and environmental concerns. Since then, competitiveness initiatives, value chain analysis, and cluster development approach have proved to be quite effective at increasing micro, small and medium enterprises productivity and competitiveness into global markets, as well as national and local markets. If critically viewed, more efforts of government were geared towards the establishment of industries which would provide employment to the teeming populations, provide earnings to the country through export profiles, enhance standard of living of the citizenry and in turn results to provisions of infrastructural facilities. It is equally of important to note at this juncture that small and medium scale enterprises means different thing to different people, group, society and government hence.

The under-development of Nigerian economy is as a result of inadequate industries in Nigeria and manufacturing of the existing one's owing to poor implementation, supervision and execution of government policies and programmes, subject to corruption and lack of appropriate machineries for later implementation. Given that industrial development has been so slowly generally in Nigeria, and that government has been doing something positive to increase the industrial base of the country; the researcher therefore is challenged to prove whether or not a small and medium firm will lead to quick industrial development in Ogun State and Nigeria in general. The researcher will find out why most government industrialization and mobilization policies inaugurated in the past, failed to achieve grass root industrialization and mobilization among Nigerians and also how to address the problems of

entrepreneurship facing small scale industries in Nigeria and Ogun State in particular.

## **THEORETICAL REVIEW**

### **"Big Push" Theory of Development**

This theory was conceptualized in 1943 by Paul Rosenstein-Rodan. The theory emphasizes that underdeveloped countries require large amounts of investments to embark on the path of economic development from their present state of backwardness. This theory proposes that a 'bit by bit' investment programme will not impact the process of growth as much as is required for developing countries. According to the 'big push' theory of economic development, publicly coordinated investment can break the underdevelopment trap by helping economies overcome deficiencies in private incentives that prevent firms from adopting modern production techniques and achieving scale economies. These scale economies, in turn, create demand spillovers, increase market size, and theoretically generate a self-sustaining growth path. Active Learning Model This research is also based on the active learning model of Erickson and Pakes [1995] which states that a firm explores its economic environment actively and invests to enhance its growth under competitive pressure from both within and outside the firm. The potential and actual growth changes over time in response to the outcomes of the firm's own investment and those of other actors in the same market. According to this model of learning, owners or managers of MSMEs could raise their efficiency through formal education and training that increases their endowments while government may support their activities through the creation of the enabling environment. Entrepreneurs or managers of MSMEs with higher formal education, work experience, training and government assistance would therefore be expected to grow faster than those without these qualities. This implies that MSMEs in Nigeria have prospects of experiencing growth and contributing meaningfully to employment generation only when appropriate investments are made into them by all the stakeholders. This could best be achieved by government intervention through the provision of financial assistance, social infrastructures, capacity building of MSME operators and favourable taxation policies.

Enormous differences arise as to what people understand by small scale enterprises in Nigeria. However, there are common indicators in most of the definition as they are going to be written below. They are:

- a) Size of investment
- b) Value of annual turnover i.e. gross output and number of paid employees.

According to Federal Ministry of Commerce and Industry, it defines small scale industries as establishments with capital investment totaling N250,000 and staffed with between 50 and 150 employees. The Central Bank of Nigeria (CBN) credit guide of 1993 defined small scale enterprises as one whose total cost excluding cost of land but including working capital is above N1 million but not exceeding N10 million.

The companies and Allied Matters Decree 1990 section 376 described a small scale company as:

- a) A private company limited by shares
- b) The amount of its turnover for the year is not more than N2 million or such amount as may be fixed by the commission (i.e. Corporate Affairs Commission).
- c) The net asset value is not more than N1 million or such amount as may be fixed by the commission.
- d) None of its owners is an allium.

In its own definition, the National Development Plan (1975-1980) sees small scale industry as a business that employs not more than 10 people whose investment in machinery and equipment does not exceed 600,000,000. The National Economic Reconstruction Fund (NERFUND) puts the ceiling for small scale industries at 10 million. The small scale industries division of the Federal Ministry of Industry (1979) defined a small scale business as an enterprises having investment capital (land, building, machinery, equipment and working capital) of up to N60,000,000 and employing not more than 50 persons. In its own definitions, AGIM H. (1977:30) defines a small scale business enterprises as a firm or company with assets (including working capital but excluding land) not exceeding N750,000,000 and paid employment up to 50 persons; such an establishment must be wholly Nigerian owned. Ejiofor (1989) in his own opinion defined small business as those enterprises that have relatively little capital investment that employs not more than 50 workers and in which management and control are vested in the proprietor Needham and Grandfield (2013) credited the British Company Act as defining a small firm as one having fewer than 50 employees. The government small scale industry development programme defined small scale enterprises in Nigeria to be any manufacturing, processing or service industry with a capital investment not exceeding N150,000 in machinery and equipment alone.

## **METHODOLOGY**

### **Presentation, Analysis and Interpretation Of Data**

A total of (161) one hundred and sixty-one questionnaires were distributed to staff of the selected firms and were returned making a representation of 100%.

### **Testing of Research Hypothesis and Interpretations**

Having analysed the data collected, it would be necessary to test the hypothesis, if they will subsequently be accepted or rejected. In this research work, three hypotheses are being tested using the chi-square distribution. One question or a maximum of two are used in testing each hypothesis. In using the chi-square method of distribution to test the hypothesis, these questions would be merged together such that only responses common to both are analysed and tested.

### **Test of Hypothesis 1**

The hypothesis is re-stated as follows:

- Ho: Small and medium scale enterprises does not have any factor militating against its growth and development in Ifo area of Ogun State.  
 Hi: Small and medium scale enterprises does have any factor militating against its growth and development in Ifo area of Ogun State.

Table 1. Test Hypothesis 1

S/NO	$f_o$	$f_e$	$f_o - f_e$	$(f_o - f_e)^2$	$\left(\frac{f_o - f_e}{f_e}\right)^2$
1	19	20.22	-2.22	1.4884	7.36
2	11	9.78	1.22	1.4884	1.52
3	103	101.78	1.22	1.4884	1.46
4	48	49.22	1.22	1.4884	3.02
				<b>X<sup>2</sup></b>	<b>13.36</b>

Calculating "fe"

$$f_e = \frac{(\sum r \times \sum c)}{n}$$

$\sum c$  = summation of columns

$\sum r$  = summation of rows

N = total no of respondents

$$C1 = \frac{30 \times 122}{181} = 20.22$$

$$C2 = \frac{30 \times 59}{181} = 9.78$$

$$C3 = \frac{151 \times 122}{181} = 101.78$$

$$C4 = \frac{151 \times 59}{181} = 49.22$$

Degree of freedom; d.f = (c-1) (r-1)

$$= (2 - 1)(2 - 1) = 1 \times 1 = 1$$

$$X^2 \leq 0.95 \text{ at } 1 \text{ d.f} = 3.84$$

### Decision Rule

Accept H<sub>0</sub>: If calculated value is less (<) than tabulated value.

Reject H<sub>0</sub>: If the calculated value is greater (>) than the tabulated value.

Decision Rule: Since 13.36 > 3.84

Reject H<sub>0</sub> and Accept H<sub>i</sub>

We accept H<sub>i</sub> which implies that small and medium scale enterprises do have militating factors against its growth and development in Ifo Area of Ogun State.

### Test of Hypothesis 2

Ho: Small scale and medium enterprises does not have any effect to the development and growth of industrialization in Ifo area of Ogun State.

Ho: Small scale and medium enterprises does have any effect to the development and growth of industrialization in Ifo Area of Ogun State.

Table 2. Test of Hypothesis 2

S/NO	$f_o$	$f_e$	$f_o - f_e$	$(f_o - f_e)^2$	$\left(\frac{f_o - f_e}{f_e}\right)^2$
1	26	26.35	-0.35	0.1225	4.65
2	4	3.65	0.35	0.1225	3.36
3	133	132.65	0.35	0.1225	9.23
4	18	18.35	0.35	0.1225	6.68
				<b>X<sup>2</sup></b>	<b>23.92</b>

$$C1 = \frac{30 \times 159}{181} - 26.35$$

$$C2 = \frac{30 \times 22}{181} - 3.65$$

$$C3 = \frac{151 \times 159}{181} - 132.65$$

$$C4 = \frac{151 \times 22}{181} - 18.35$$

Degree of freedom; d.f = (c-1) (r-1)

$$= (2 - 1)(2 - 1) = 1$$

$$X^2 < 0.95 \text{ at } 1 \text{ d.f } 3.84$$

**Decision Rule**

Accept Ho: If calculated value is less (<) than the tabulated value

Reject Ho: If calculated value is greater (>) than the tabulated value.

**Decision**

Since 23.92 > 3.84

Reject Ho and Accept Hi

We accept Hi which implies that small scale enterprises do have effect to the development and growth of industrialization in Ifo Area of Ogun State.

**Test of Hypothesis 3**

Ho: Individuals does not have roles to play towards promoting government policy to achieve industrialization and stability in the economy.

Hi: Individuals does have roles to play towards promoting government policy to achieve industrialization and stability in the economy.

Table 3. Test of Hypothesis 3

S/NO	$f_o$	$f_e$	$f_o - f_e$	$(f_o - f_e)^2$	$\left(\frac{f_o - f_e}{f_e}\right)^2$
1	21	13.92	7.08	50.13	3.60
2	9	16.08	-7.08	50.13	3.12
3	63	70.08	-7.08	50.13	7.15
4	88	80.92	7.08	50.13	6.20
				<b>X<sup>2</sup></b>	<b>20.072</b>

**Calculation (FE)**

$$C1 = \frac{30 \times 84}{181} - 13.92$$

$$C2 = \frac{30 \times 97}{181} - 16.08$$

$$C3 = \frac{151 \times 84}{181} - 80.92$$

$$C4 = \frac{151 \times 97}{181} - 80.92$$

Degree of freedom; d.f = (c-1) (r-1)

$$= (2 - 1)(2 - 1) = 1$$

$$X^2 < 0.95 \text{ at } 1 \text{ d.f } 3.84$$

### ***Decision Rule***

Accept  $H_0$ : If calculated value is less (<) than the tabulated value

Reject  $H_0$ : If calculated value is greater (>) than the tabulated value.

Decision Rule:

Since  $20.07 > 3.84$

Reject  $H_0$  and Accept  $H_1$

We accept  $H_1$  which implies that individuals have roles to play towards promoting government policies to achieve value chain industrialization.

## **RESULTS AND DISCUSSION**

### ***Small Scale Firms Characterized***

According to United National Industrial Development Organization (UNIDO), it suggests that a small scale business firms is characterized by at least two of the following features'

1. Ownership and management are usually and normally vested on the same individual(s). i.e. the management is not independent and managers are usually also the owner.
2. The small business controls a small share of the market and therefore, constitutes a little quota in the large size market.
3. The owner make capital available and policy decisions are in the hands of the individual or small group of entrepreneurs.
4. The area operation is localized and workers and owners concentrate in the local community.
5. The owner participates very actively in all decision making on a day by - day operational basis with a high degree of rigid control.

Chikere (2004) is of the opinion that such small and medium enterprises possess the following characteristics.

- (a) The business is likely to be a sole entrepreneurship, a partnership or a private company.
- (b) It is likely to be located at one place with a few departments.
- (c) The managements are usually independent.
- (d) The capital outlay is small and mainly furnished by the owner

### ***Importance of Small and Medium Scale Enterprises Towards Industrialization***

The importance of small and medium scale enterprises in the light of recent economic realities is very apparent. Government now accords a very high priority to the development of small scale enterprises especially industrial enterprises. The importance is based mainly on the belief that such enterprises are likely to facilitate the development of a broader base, encourage indigenous entrepreneurial culture for the country and a higher value added to domestic industrial production.

1. **Introduction to Big Business:-** Small business serves as a nursery for entrepreneurial talent and they grow in some cases into large industries. Many large organizations all over the world today started as small businesses. Some individuals may have affair for entrepreneurship in large enterprises but owing to the shortage of capital and other

resources, they are not able to realize this, through the establishment of small firms from which they expand into large scale enterprises.

2. **Creation Of Employment:-** The role of small scale business in the development of any country was summarized in Nigeria. National development plan (1975) as the generation of employment opportunities, stimulation of indigenous entrepreneurship, facilitation of effective mobilization of local resources including capital and skill and the reduction of regional disparities. Small scale businesses employ a large number of people per unit of invested capital than the large scale capital intensive enterprise.
3. **Man Power Training:-** Small Scale business are more efficient than the large scale points in utilizing and training a small number of skilled labour which they can be more readily and effectively utilized.
4. **Waste Utilization:** Small business help in the reduction of wastes in the economy. They make use of scrap materials from large firms not only as their raw materials but also for the manufacture of serviceable improvised tools and machinery for themselves and others.

#### *Who Finances Small and Medium Scale Enterprises (SME)*

Inyang and Ukpong (CBN) Economic and Review Vol. 3, No. 4. There are three main sources of enterprises in Nigeria. These are as follows:

- i. Formal financial institutions such as commercial banks, merchant banks, insurance companies, and the development banks.
- ii. Informal financial institutions consisting of money lenders land lords, credit and saving associations, friends and relations.
- iii. Other financial scheme is National Economic reconstruction fund (NERFUND), Nigeria Exports and Import Bank (NEXIM) etc.

They went further to argue that there is a wide consensus in Nigeria that government business policies have been made largely in favour of the large scale enterprise to the detriment of small enterprises, for instance, while the large scale enterprises have routinely enjoyed such benefits as access to credits, foreign exchange, protection from severe competition through tarrifs and quarters and trade likening, the small scale enterprises were often ignored or at best paid lip services by the authorities. Enterprises and individuals without this sector operate largely outside the system of government benefits and regulation and thus have limited access to the formal credit institutions and the main source of technology transfer. Many enterprises within this sector operates such activities as food processing, marketing of food stuffs and consumer goods, repairs and maintenance of machinery and consumer durable goods, hotels, motor parts dealership and provision of transport services. However, both Federal Government in recent years have introduced various policies and programmes to redress the above shortenings, first, government established a coordinating umbrella organization called "small scale Industries Corporation" in 1971 with responsibilities for promoting small scale industries generally through the provision of extension service and technical/management assistance as well as meeting the training needs of the

small scale enterprises. In addition, government has enterprises. Notable among these institutions and programmes according to Inyang and Ukpang are as follows:-

- a) **Small Scale Industries Credit Scheme (SSICS):-** The small scale industries credit scheme was introduced in 1871 as a revolving grant by the Federal and State Government; to assist in meeting the credit needs of small scale enterprises on relatively more liberal condition mainly in private lending institutions such as commercial banks. The problem of inadequate financial resources especially at the state level coupled with reports of rampant mismanagement of the meager funds by both the administrators of the loan as well as the benefiting small scale enterprises paralyzed the scheme; consequently, the Federal Government pulled out of the scheme in 1976 to establish the Nigerian Bank for Commerce and Industries (NBCI) as the apex credit institution for small scale to hopefully ensure more efficient utilization of scarce financial resources for the development of viable small scale enterprises.
- b) **Nigerian Bank For Commerce And Industry (NDCI):** was established jointly by the Federal Government and Central Bank of Nigeria (CBN) in 1978 as an apex institution for small scale industries under a soft loan agreement.
- c) **Nigerian Export And Import Bank (NEXIM):** Nigerian export and import (NEXIM) was established in January 1990 to manage a number of credit facilities introduced specifically to boost Nigerian's non-oil export sector. The establishment of NEXIM was also intended to support exporters and other small scale exporters to have direct access to international markets. The facilities offered by NEXIM include the export stimulation loan, the foreign input facility (FRF). The export stimulation loan scheme was funded by the Federal Government which NEXIM manages through a loan from the African Development Bank (ADB), the export stimulation loan (ESL) seeks to bring out the best in Nigeria entrepreneurs who do not have the facilities of producing their products for the international market but have initiatives. It also seeks to diversify non-oil export products.

#### ***Industrial and Strategic Policy Objectives in Ogun Urban***

According to industrial policy of Nigeria (1998) it argued that the industrial sector would become the prime mover of the economy by:-

- A. **Generating Employment:** The major policy tool through which Ogun State Government plans to enhance employment generation is the promotion of small scale industries. Ogun State Government therefore accords high priority to small and medium scale enterprises projects whose main objectives are to develop in Nigeria a broader base of entrepreneurial culture, a care of trained manpower and an effective institutional structure capable of providing technical services and credit facilities to viable small and medium scale enterprises.

- B. **Dispersal Of Industries:** Through an array of incentives, including a programme of industrial layouts, crafts development thrives to make government at various levels to plan to make areas attractive to new investment.
- C. **Increased Local Contents:-** Finding suitable raw materials and promoting their use by industries, is one element of the strategy by which government plans to realize this objective. The raw material research and development council will allocate resources to research and development identified raw material substitutes or alternatives.
- D. **Increased Export Of Manufactured Goods:-** Government strategy for increased export of manufactured goods rest on making Nigeria export more competitive internationally and export strategy are:-
  - a) The regulatory environment.
  - b) Promotion of exports free zones
  - c) Liberalization access to foreign exchange
  - d) Allowing a market determined exchange rate for the air.
  - e) Fiscal and financial incentives.

The Nigeria export promotion council is the premier organization responsible for the administration of various incentives schemes and measure aimed at encouraging exports and also responsible for administering the export development fund.

### *Problems of Small and Medium Scale Enterprises*

While the importance of small scale enterprises to a nation's development has been well recognized, those firms are equally beset with a number of structural problems which have constrained their ability to play the pivotal role expected of them. Some of these problems are summarized below:-

1. **Under Capitalization:** The major source of finances of small scale enterprises in the world all over the owner's capital. In Nigeria, as in many other developing nations of the world, the unwillingness of sole proprietors to allow participation of outsiders is what is usually considered personal or family business.
2. **High Mortality Rate:-** Available records and evidence shows that a large number of all newly registered small scale businesses usually folds up during their first year of registration, while an even larger number hardly rate of business failure among small scale enterprises has been ascribed to such factors as poor knowledge of the project conceptualization and implementation given the death of managerial and technically skill among small scales enterprises.
3. **High Risk Rating:-** As a direct consequences of the above mentioned problems, nearly all small scale enterprises are usually classified as "high risk" business by most lending institutions. Consequently, they are accorded very low priority rating in credit institutions lending scheme. This problem is often associated with high degree of loan diversion to unscheduled activities and high rate of default loan repayment.

4. **Death Of Tangible Assets:-** Another factors, which hinders the flow of financial assistance to small scale enterprises, is the fact that individual small scale business and their owner usually lack, adequate tangible assets which could serve as collateral to secure loans from private credit institutions.
5. **Low Productivity:-** As a result of poor financial base and smallness of their market share the productivity of these enterprises is generally low. They are therefore hardly able to compete effectively in both factor and product markets. According to (Ejiofor 1989, 76-77), he indicated the under listed as the problems of small scale enterprises.

***What Role Does Technology Have to Play in Buttressing the Development of Industrialization through Small and Medium Scale Enterprises***

Thurik, (1999) is of the opinion that corporative efficiency of different sizes of business has long raised one of the most perplexing dilemmas in the entire body of economic theory. But a beginning must be made sometime in tackling this whole size efficiency problem on an empirical basis. The first step in any such undertaking would logically be that of economy. Since it is technology which largely determines the relationship between the size of plant and efficiency.

When the determinants of the underlying industrial structure are stable, the industry structure itself would not be expected to change. He however made reference to Chandler (1990), Scherer as emphasizing on a change in the underlying determinants would be expected to result in a change in the optional industry structure. He went further to say that Chandler (1990) and Scherer and Ross (1990) identified a shift in optimal industry structure towards increased centralization and concentration throughout the first two-thirds of the previous century as a result of changes in the underlying technology along with other identified a change in the determinants underlying the industry structure that has reversed this trend. The most salient point of this change is that technology, globalization, regulation, labour supply, variety in demand, and the resulting higher levels of uncertainty have rendered a shift in the industry structure away from greater concentration and centralization towards less concentration and decentralization. A series of empirical studies (Loveman and Sengen Berger, 1991; Acs and Audretsch, 1993; Acs et al, 1999) have uncovered two systematic findings regarding the response of industry structure to changes in the underlying determinants. The first change is that the industry structure is generally shifting towards an increased role for small enterprises.

Economic experts are agreed that the deployment of technology leads to economic development even as they hold that, the success of any nation is also directly proportional to the success of its small and medium Enterprises SMEs. Given this scenario, government administrators especially in development countries since realized that economic growth is not possible if their SMEs are jeopardized. This has led to policies geared towards ensuring that the SME's of countries in Africa are not only strengthened that also given the needed tonic to ensure their growth and success. With the speedy advances recorded in

Information Communications Technology (ICTs) daily redefining and influencing the ways human beings live, work, do business, move, govern and are governed, the emergence and evolution of ICTs and the internet in the last few decades is helping in reshaping the opportunities available to SMEs to average on and ensuring fundamental changes in organizational strategy. The Nigeria Government should also wake up to the fact that its future growth lies beyond oil and take deliberate steps to diversify its economic base from oil by developing its non-oil sector. It should also promote the growth and development of SMEs by providing funding mechanism that can be tapped into by the SMEs and also by promoting the spread of ICTs especially to rural communities to give SMEs owners in these areas the opportunity of becoming players in the national and global space.

***What Institutional Frame Work Is in Existence (Ifany) and Established by Government to Register and Manage the Operations of Small and Medium Enterprises (SME)***

Industrial Policy of Nigeria (1998) is of the opinion that several institutional frame works have been established in the past even in the present to help buttress the bottleneck in the activities and operations of small and medium scale industries in Nigeria. It went further to indicate the established institutional frame work as:

***1. The Industrial Development Coordinating Committee (IDCC):***

This was established to averse the required approval for the establishment of new industries requests from government ministries and agencies. The committee comprises ministers of the ministries of finance, internal affairs, trade commerce and industries, science and technology, agriculture, labour and productivity. Industrial Development Coordinating Committee (IDCC) will function as a coordinating centre for reliving applications from prospective investors, channeling such applications to the appropriate ministries for onward comments and comments and recommendation and collating information received for briefing and decision – making. the law provides that every application shall be processed within two months. The functions of the Industrial Development Coordinating Committee (IDCC) as stipulated in the industrial policy are as follows:-

- a) Granting approvals for the commencement of new business and relevant expatriate quota for such businesses (expatriate quota approvals by IDCC is limited to new business only)
- b) Approving reinvestment technology transfer agreements as they relate to:
  - i. Feasibility studies
  - ii. Assistance in producing machinery, plant equipment and component
  - iii. Engineering design services
  - iv. Plant installation and commissioning
- c. Advisory on the administration of government industrial incentives.
- d. Making recommendation of pertinent policies including tariff and various measures aimed

at ensuring the industrial development of the country.

e. Over relevant functions are assigned to the committee from time to time to facilitate meaningful industrial development.

**2. *The Policy Analysis Department (PAD):***

Government has established an organ known as the policy analysis department within the Federal Ministry of Commerce and Industries whose functions are to undertake the collection of data, conduct economic research and policy analysis necessary for the evaluation of the effectiveness or otherwise of industrial policy.

**3. *The Industrial Inspectorate Department (IID):***

This certifies the actual value of capital investment in buildings, machinery and equipment of various industries. It also certifies the date of commencement of production for companies that enjoy proper status, and the value of imported industrial machinery and equipment for the confirmation of approved status for non-resident capital investment.

IID also provides in-house technical services for the ministry, including negotiations, equipment selection and implementation of public sector projects.

**4. *Raw Materials Research and Development Council (RMRD):***

This material research and development council has been established in the Federal Ministry of Science and Technology. The Council works in close collaboration with the Federal Ministry of Commerce and Industries, which has the overall responsibility for the development of incentive pertaining to raw material utilization.

**5. *Investment Information and Promotion Center (IIPC):***

The Investment information and promotion centre of the Federal Ministry of Industries provides latest information on procedural matters and industrial climate in Nigeria. The centre advises and guides importers free of charge on most aspects of their proposals, whether the prospective investors are Nigerians or Foreigners.

**6. *Industrial Training Fund (ITF):***

This is responsible for promoting and encouraging the acquisition of skills, industry and commerce. The body provides facilities for training of person employed in industry and commerce, approve courses and appraise facilities provider regularly operational areas of industry or commerce that require specific manpower training and development inputs and recommend the kind of training needed and the standards to be attained, and ensure that such standards are met. It also assist individual person or corporate organization in finding facilities for training for employment in industry and commerce and conduct or assist other conduct research into any matter relating to training in industry.

### **7. Standard Organization of Nigeria (SON):**

The SON is the body responsible for standardization and quality control in the nation economy. It prepares standards for products and processes, ensures compliances with government policy in standardization and imported, undertake investigations as necessary into the quality of product in

Nigeria and establish a quality of product in Nigeria and establish a quality assurance system industry certificate of factories products and laboratories maintain reference standards for collaboration and verification of measures and instruments and co-operate with corresponding national and international organizations with a view to secure uniformity in standards specification. Standards organization of Nigeria strictly enforces the power seizure, confiscation and products and steals up produce sub-standard or defective goods and products.

An industrial data bank has been established in the Federal Ministry of Commerce and Industries to gather store and retrieve data. The data bank will provide information on existing industries in the various sub-sectors, their production capacities and expansion plan, production last, the state of the market, price movement, raw material available in various parts of the country etc.

The researcher has attempted, in the course of this study to discover some revelations and observations as follows:

1. Financial problems have been the major and most serious impediments to small scale enterprises towards buttressing the growth and development of industries in Ogun Urban.
2. That appropriate financial frame work has not been effectively put in place to assist small scale firm establishment, growth and development. The high interest rate, unavailability of credits, poor access to credit and many other factors discourages entrepreneurs from borrowing and as such cripples the business of those who have the business initiatives but lacks the necessary facilities to borrow as collateral.
3. Nigeria policies and programmes towards small scale firms have always been efficient but not effective.
4. Funds have not been made available to banks and other government agencies who are involved in funding small scale firms for onward lending to entrepreneurs because of inadequate liquidity policies of government and Central Bank of Nigeria (CBN).
5. Lack of technical and managerial support skills from agent of government to the intending and existing small scale firms.

High level of illiteracy by the existing entrepreneurs who are one way or the other not mentally balanced to carry out some business programmes caused by educational impediments.

## CONCLUSIONS AND RECOMMENDATIONS

Everything that has a beginning, they say, must have an end. Therefore, the researcher wishes to draw up some conclusions based on the findings of the research, both through the administrative analysis of such data used. We have already seen some results of these findings; based on these findings, the researcher was able to draw the following conclusions.

1. That small scale firms are not given the desired as well as required attention by government and its agencies.
2. That small scale firms are an integral part of economic growth and development of any nation.

Since small scale enterprises cannot be displayed in area of growth and development of industrialization, it therefore indicates that proper provisions made by government to accommodate and tolerate the short comings associated by its (Small Scale Firms) existence will go a long way to enhance our economy.

1. That government should make sufficient funds available to small scale firms in other to enable them operate favourably.
2. That government should reframe its financial frame work such that the needs of the small scale firms will be adequately attended to.
3. That government should make its policies towards the establishment, funding, growth and development of small scale firms efficient as well as effective.
4. That government should create enabling environment for small scale firms to operate and succeed.
5. That government should provide enough infrastructural facilities that will enable the small scales firm to operate competitively.

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