



Assessing the Contribution of Smes Towards the Industrial Development of Ogun State

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ABSTRACT

This study delves into the vital role played by Small and Medium-sized Enterprises (SMEs) in advancing the industrial development of Ogun State, Nigeria. SMEs are the backbone of the state's economic landscape, contributing significantly to employment, innovation, and economic growth. Through a comprehensive analysis of SMEs in various industries, this research evaluates their impact on industrial development. The assessment encompasses factors such as job creation, local value addition, and technology transfer, shedding light on the multifaceted contributions of SMEs. Additionally, the study explores the challenges faced by these enterprises and the potential for policy interventions to further enhance their role in industrial development. The findings of this research are invaluable for policymakers, business owners, and stakeholders aiming to bolster the industrial sector of Ogun State. By understanding the diverse ways in which SMEs contribute to industrial development, strategic decisions and policies can be formulated to foster sustainable growth and economic prosperity in the state.

INTRODUCTION

Developing countries as a whole have now realized that they lag much behind than the developed nations of the world, not only in industrial base but also in national standard of living. As a result, these countries now seem to have hastened up the pace of their industrial development process in order to increase their living standard and thus reduce the present rate of

unemployment. Nigerian's desire to concentrate on developing the small and medium scale enterprises (SME) have always been buttressed by and reflected in a wide range of economic policies. In-fact, the present consciousness on the part of the every segment of the society including the government for small and medium scale industrial growth cannot be under emphasized and the delay in appreciating this sector as an economic catalyst is frustrating. Yearly, government initiates policies that will not only help the development of small scale firms but also bring legislations for small and medium scale firms' protection. Most government economic policies on imported goods have been targeted at discouraging such importation and protect the establishment, existence and survival of cottage firms. The essence of the protection is not to allow it face the competition posed by foreign goods in the market.

It is true that we are operating in a system where savings and investment are quite low; this is as a result of low capital base, mass unemployment and low per capital income. But government has not relented on its effort to ensure the success of small and medium scale firms. Tax holidays and tax concessions are many at times being offered by government to small and medium scale firms to enable them survive. Grants and loan facilities are another key ways of assisting small and medium scale (SME) industries so that funds needed for current operations and investments may not be an impediment. 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 government (both at state and federal level) at various intervals has initiated policies measures to encourage the development of the small scale industries. Some of these policies included the operation feed the nation (OFN) of 1973, the Green Revolution of 1977, the National Directorate of Employment (NDE) of 1986 and others. All these geared towards assisting the firms technically, financially and managerially. 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.

RESEARCH OBJECTIVES

This study intends to investigate various problems associated with establishment and growth of small and medium scale enterprises towards the development of industrialization in Ogun State. This research will attempt to

- i. To find out if good management contribute to the success of small scale firms in Ota area of Ogun State.
- ii. To find out if government give loans to the small scale firms.
- iii. To discover whether small and mediums scale enterprise contributes in waste management disposal and extended usage of by-product that may not have been useful without the existence of SME's.

LITERATURE REVIEW

Enormous differences arise as to what people understand by SMEs 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 SMEs 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 smes in Nigeria to be any manufacturing, processing or service industry with a capital investment not exceeding N150,000 in machinery and equipment alone.

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 SMEs 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. **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.
2. **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.
3. **SELF RELIANCE:** Small business can be an aid to personal and national self-reliance. This is because they utilize their resources for the benefit of themselves and the nation as a whole.
4. **RURAL URBAN MIGRATION:** Small scale industries constitute the chief means of industrializing the rural areas. One of the objectives of the third National Development Plan (1975) was industrial dispersion through the small scale industry.
5. **PROMOTION OF COMPETITION:** Small scale business acts as a check against service to consumers. They are in intimate with market needs.

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 tariffs and quotas and trade liberalization, the SMEs 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 operate 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 shortcomings, 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 SMEs. In addition, government has enterprises. Notable among these institutions and programmes according to Inyang and Ukpong are as follows:-

a) **SMALL SCALE INDUSTRIES CREDIT SCHEME (SSICS):-** The small scale industries credit scheme was introduced in 1971 as a revolving grant by the Federal and State Government; to assist in meeting the credit needs of SMEs 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 SMEs 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 SMEs.

a) **NIGERIAN BANK FOR COMMERCE AND INDUSTRY (NBCI):** 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.

b) **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. **IMPROVING TECHNOLOGICAL CAPACITY:-** The industrial development centers (IDCs) are established by government to represent an important instrument for improving technological capacity. The IDCs are created to ensure that small and medium scale enterprises are not ordinarily in a position to employ highly skilled man power, such as managers, engineers and technical staff but to assist in solving their operational problems.
 - a. Technical advice and assistance regarding the selection of the proper manufacturing process for the product in view and selection of the right machinery, equipment and raw materials for the purpose.
 - b. Assistance in the installation and operation of machinery.

- c. On the job trainings of artisans in the handling of machines and simple tools.
 - d. Assistance in the repairs of machinery and tools.
 - e. Advice and assistance to small scale industries to improve the design and quality of their product.
 - f. Training of proprietor and supervising staff of SME's in modern management method and practices suited to their enterprises.
 - g. Marketing counseling regarding pricing, packaging, sales strategy, advertising and marketing methods for the promotion of sales of their products.
- A. **INCREASED PRIVATE SECTOR PARTICIPATION:-** The strategy by which government seeks to achieve increased private sector participation in manufacturing is the privatization/ commercialization of public sector investments. In this connection, Federal government has completely divested itself of holdings in over 67s companies. In addition, while some companies will be fully commercialized, others especially those considered strategic for the moment will be partially commercialized. These arrangement as indicated are embodied in Decree No. 29 of 1988.
- B. **ATTRACTING FOREIGN CAPITAL:-** The structural adjustment programme (SAP) was embarked upon with the prospect of increase in flow of foreign capitals. The main component of government strategy for attracting foreign capital is the liberalization of access to foreign exchange market (FEM). Another element of government strategy consists of amendments to the Nigeria Enterprises Promotion Decree (NEPD) 1970. These amendments are designed to open up more areas for foreign investment.

PROBLEMS OF SMALL AND MEDIUM SCALE ENTERPRISES

While the importance of SMEs 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. **LEGAL CONSTRAINTS:-** In Nigeria, business laws are too complex and too general in relation to small scale businesses. Most of which tend to be ill of armed about these laws. Laws regarding licensing taxation, factories, storing and availability of land are inadequate, primitive or non-existence. Those governing, leasing, credit sales, mortgages affect the finances and acquisition of equipment by small scale industries. The law creates immense difficulty and sometime cripples the establishment and development of small scale business. Furthermore, patent centers and domestic patent rights do not exist. This has undermined the potentials for domestic technology innovation.
2. **LACK OF INFORMATION NETWORK:** Centers for providing information on finance, marketing, technology and services are poor, inadequate or non-existent.
3. **QUALITY AND STANDARDS:-** Small scale businesses are generally unaware of the importance of standard and quality. They may not have the facilities for and knowledge and standard. They lack the equipment for quality control and testing.
4. **POOR INFRASTRUCTURE:** - Infrastructure such as industrial estates, technology incubating centers, transportation, telecommunication, road network, etc. is often inadequate or nonexistence. Poor infrastructure often results in high cost to entrepreneurs. Supply of raw materials and other inputs are unstable inequality, quantity and prices. Small scale industries suffer from shortage of energy supply and bottlenecks in transportation adversely affect availability of both input and distribution of their products.

ECONOMIC FACTOR:- Macro-economic factors such as the effects of worldwide recessions inflation, problems arising from international agreements (general agreement on trade and tariff) commodity policy, etc. regulation of international foreign exchange all have practical and direct effect on micro-economic policies for small business development.

Since the early 1980's, Nigeria has embarked on structural Adjustment Programme have so far succeeded in restoring external and internal balances, with regards to small scale business. Micro-economic factors such as taxes, free technical advice and other support service from the Federal Government. Against the background of these problems and after several exhausting studies, it became clear that a restructuring

1. Of the manufacturing sector was required. To cope with the problems of this sector and the economy in general, Nigeria embarked on a structural adjustment programme (SAP) in July 1986. SAP has important implications for government and industry alike. Among other things, it has brought about governments re-appraisal of the regulatory environment, the structure of protection for local industries and the package of incentive available for the private sector and industrialist generally, it will demand a more serious effort to control costs, increase production efficiency and stay competitive. SAP thus marks watershed in the evolution of manufacturing sector in this country.
2. **MANPOWER:** These present special difficulties for small enterprises which have to compete with large firms for the services of skilled worker at the wages and terms of services they can afford to offer.

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 optimal 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 evolvment 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 (if any) 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 ad the standards to be attained, and ensure that such standard 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 qualify 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.

THEORETICAL FRAMEWORK

"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.

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 ONE

Ho: Small and medium scale enterprises does not contribute in waste management disposal and extended usage of by-products that may not have been useful without the existence of small and medium scale enterprises.

Hi: Small and medium scale enterprises does contribute in waste management disposal and extended usage of by-products that may not have been useful without the existence of small and medium scale enterprises.

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	20	24.53	4.53	20.52	8.37
2	10	5.47	4.53	20.52	3.75
3	128	123.47	4.53	20.52	1.67
4	23	27.53	-4.53	20.52	7.45
				X²	21.24

Calculation (FE)

$$C1 = \frac{30 \times 148 \times 181}{148 \times 181} = 24.53$$

$$C2 = \frac{30 \times 33 \times 181}{33 \times 181} = 5.47$$

$$C3 = \frac{151 \times 148 \times 181}{148 \times 181} = 123.47$$

$$C4 = \frac{151 \times 33 \times 181}{33 \times 181} = 27.53$$

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 21.24 > 3.84

Reject Ho and Accept Hi

We accept Hi which implies that small and medium scale enterprises does contribute in waste management disposal and extended usage of byproduct that may not have been useful without the existence of small and medium scale enterprises.

TEST OF HYPOTHESIS TWO

Ho: Government does not have any positions towards assisting, promoting and stabilizing small and medium scale enterprises (SME) in order to unlock value chain approach to our economic boom.

Hi: Government does have positions towards assisting, promoting and stabilizing small and medium scale enterprises (SME) in order to unlock value chain approach to our economic boom.

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	13.59	7.41	54.91	4.04
2	9	16.41	-7.41	54.91	3.35

3	61	68.41	-7.41	54.91	8.03
4	90	82.59	7.41	54.91	6.65
				χ^2	22.07

Calculation (FE)

$$C1 = \frac{30 \times 82}{181} = 13.59$$

$$C2 = \frac{30 \times 99}{181} = 16.41$$

$$C3 = \frac{151 \times 82}{181} = 68.41$$

$$C4 = \frac{151 \times 99}{181} = 82.59$$

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

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

$\chi^2_{0.95}$ at 1 d.f = 3.84

Decision Rule:

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

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

Decision, since 22.07 > 3.84,

Reject Ho and Accept Hi

We accept Hi which implies that government have positions towards assisting, promoting and stabilizing small and medium scale enterprises (SME) in order to unlock value chain approach to our economic boom.

TEST OF HYPOTHESIS THREE

Ho: Environmental factors do not have influence in the establishing, growth and stability of SMEs (SME).

Hi: Environmental factors do have influence in the establishing, growth and stability of SMEs (SME).

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	20	14.92	5.08	25.81	1.73
2	10	15.08	5.08	25.81	1.71
3	70	75.05	5.08	25.81	3.34
4	81	75.08	5.08	25.81	3.40
				χ^2	10.18

Calculation (FE)

$$C1 = 30 \times 90 \times 181 \times 14.92$$

$$C2 = 30 \times 91 \times 181 \times 15.08$$

$$C3 = 151 \times 90 \times 181 \times 75.08$$

$$C4 = 151 \times 91 \times 181 \times 75.92$$

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

$$= 2 \times 1 \times 2 \times 1 \times 1 \times 1$$

$\chi^2_{0.95}$ at 1 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 Rule, since 10.18 > 3.84

Reject Ho and Accept Hi.

We accept Hi, which implies that environmental factors do have influence in the establishment, growth and stability of SMEs.

RESULT

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

1. Inability of some intending small scale firms and the existing ones to attend the height of legal requirement by government either to register a business or to operate one.
2. The researcher equally discovered that the individual operators of business did not recognize the fact that they are part players to the execution of government policies and programme.
3. Those individual operators of small scale firms are prime factors to waste management disposal in the state.
4. Lack of information to small scale operators are equally a seniors impediments to the contribution of small scale firms towards the growth and development of industrialization of the state.
5. Lack of provision of infrastructural facilities by government has not helped to stabilize business and as such makes it difficult for small scale firms to operate and survive.
6. Lack of confidence in the products of our small scale firms by the consumers which includes government agents.

CONCLUSIONS

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 should be sufficiently funded by government and its agencies in time to enable them (SME) create a feasible impact. Those small scale firms operators are operating below the universally accepted level of education.

RECOMMENDATIONS

Since SMEs 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 create a technical legal loophole that will give an edge to small scale firm over industrial firms.
2. That government should organize workshop and seminars on routing basis to help small scale operators.
3. That individual operators of small scale firms should try as much as possible to get educated for their self-development and reliance.
4. That consumers of products made by small medium scale firms should have confidence in them rather than the foreign counterpart.
5. Policies which encourage government purchase of small scale firms' product should be made in the state; this is to make the society have confidence in our industrial produce.
6. Banks and other governments' agents should be encouraged to charge preferential rates to small scale firms.

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