

IMPACT OF SMALL AND MEDIUM SCALE ENTERPRISES IN THE GENERATION OF EMPLOYMENT IN LAGOS STATE.

SAFIRIYU, ADIJAT MORENIKEJI
DEPARTMENT OF ACCOUNTING / BANKING AND FINANCE
COLLEGE OF SOCIAL AND MANAGEMENT SCIENCES
CALEB UNIVERSITY
IMOTA
IKORODU
LAGOS.

NJOGO, BIBIANA OLUCHUKWU
LECTURER:
DEPARTMENT OF BANKING AND FINANCE
COLLEGE OF SOCIAL AND MANAGEMENT SCIENCES
CALEB UNIVERSITY
IMOTA
IKORODU
LAGOS

Abstract

For an economy to live up to expectation in the committee of nation's development, such economy must achieve accelerated economic growth and development which is sine qua non for improving quality of life. Small and medium scale enterprises are strategic to attainment of economic prosperity objective of any government. The economy depends on its working population for economic growth and development in which the youths constitute greatest percentage and this further establishes the reason why the youth should be gainfully employed. The youth should be encouraged to develop and nurture entrepreneurial spirit since entrepreneurship reduces poverty and improve standard of living. In this research A total of a hundred (150) copies of the questionnaires were administered out of which one hundred and twenty (120) copies representing (80%) of the questionnaire were properly completed and retrieved while thirty (30) copies representing 20% were not retrieved. The instruments used to gather information for this study includes questionnaires and interview. Two different statistical methods were employed to analyze data for the study; the tools are simple percentage and chi-square (X^2).The results shows that small and medium scale enterprises and sustainable development of the Nigerian economy are related, just as promotion of SMEs and improvement in employment generation are related. The researcher therefore concluded that for a nation

irrespective of its economic ideology to achieve meaningful and sustainable development, adequate attention must be given to wide spread of economic activities through entrepreneurship and small and medium scale enterprise generation.

1. Introduction

In all economies but more in developing and transition economies, there is now a consensus among state policy makers, development economists as well as international development partners that small and medium enterprises [SMEs] are a potent driving force for their industrial growth and indeed, overall economic development. The smallest in this group of enterprises – microenterprises, are also touted as a veritable tool for attaining one of the eight millennium development goals of eradicating extreme poverty in the latter. Poverty is caused by inadequate incomes and incomes result from employment which SMEs are widely known to provide.

Evidences abound that in regions or economies where enterprises have been actively promoted and encouraged, their poverty rates have declined. This is especially true of Asia whereas in sub-Saharan Africa, more and more people have sunk deep into poverty. India, for instance, illustrates a model of bottom-up, demand driven, grass root-led economy depending much on local entrepreneurial energy and less on foreign direct investment. Her economic growth projected to be among the fastest in region is expected to be achieved via a young confident population as it releases its creative entrepreneurial energies. It is thus believed that India through its young population has great raw potential for high economic growth. Nigeria shares much in common with India in that they being endowed with a young vibrant population whose entrepreneurial growth. However, this will only become a reality if the necessary imperatives are in place to actively and consciously promote youth entrepreneurship using SMEs as the appropriate vehicles. Youth entrepreneurship has become more imperative now than ever before considering the high rate of youth unemployment situation in Nigeria. The consequences of youth unemployment are too grave to be toyed with. Recent experiences in Nigeria with youth restiveness in the Niger Delta region and youth gang clashes in Lagos and other cities are largely the by-product of unemployment. Other consequences of society at large include high rate of juvenile delinquency, involvement in violent crimes such as armed robbery and political thugery of the kinds witnessed during the nation's nascent democratic experience apart from falling easy prey as couriers for drug traffickers and as victims of human traffickers.

As Turnham [1997] has cautioned the issue of employment should be moved to the top of policy agenda in order to avoid what Shinder [1997] describes as a “waiting time bob” – the alarming rate of youth unemployment in development economies. The efficacy of using the promotion of SMEs to tackle unemployment is well known [Owualah, 1999a]. Furthermore, Owualah and Obokoh, [2007] are of the opinion that embedding enterprise in educational institutions in the Niger Delta region of Nigeria could provide a progression from awareness raising, aspirational to hands-on activities to develop entrepreneurship and entrepreneurial skills that culminate in a desire to own and run business after graduation by the region’s youths. Thus enterprise promotion could be used to change a culture that appears presently to be hostile to the notion of being an entrepreneur in place of a hostage-taker or gangster.

Definitely, Nigeria’s vision of being counted among the first twenty economies in the world by 2020 cannot be attained in a socio-economic milieu of hunger, poverty and unemployment among a large segment of its population. This study therefore attempts to review the contributions of SMEs to employment creation but most importantly to national development and the rationale for the growing emphasis on them as accelerators of this development. It further examines the imperatives for the development of SMEs as well as the approaches to tackling their problems with a view to preparing them to complement the efforts in other sectors towards the attainment of the Vision 2020.

Statement of the problem

The Nigerian national economy is characterized by mirage of problems which has constituted a sleepless night to developmental oriented governance. The most disturbing thing in the country is the menace of unemployment. Nigeria is faced with the challenge of curbing increase in crime rate, unprecedented increase in prostitution, high mortality rate, political tougery among others which are traceable to youth unemployment. Moreso, dwindling economic growth and development attributable to insufficient number of economic activities call for people to engage in entrepreneurship in the form of small and medium scale enterprises especially at such a time as this which on the long run will translate to improve and sustainable economic growth and development otherwise, the country will suffer relegation in the committee of nations.

Objectives of the study

The primary objective of this study was to establish the impact of small and medium scale enterprises on employment creation and the role of this on sustainable development of the Nigerian economy. Other objectives include the following;

1. To determine how social vices could in the Nigerian society could be minimized if not eradicated using employment generation as a tool.
2. To emphasize on the need for appropriate policy formulation and implementation in the favour of functioning small and medium scale sub-sector.
3. To extend the focus given to small and medium scale enterprises by the authority concern so as to occupy rightful position as an agent of economic development.
4. To re-echo the role of enabling environment on sustainable employment generation.

Research questions

In the course of the research the following research questions were answered.

- i. Can sustainable employment generation solve socio-economic problem inherent in Nigeria national economy?
- ii. Should the Nigeria populace especially the youth be encouraged to develop and sustains entrepreneurial spirit?
- iii. Can small and medium scale enterprises contribute to economic development of Nigeria?
- iv. Does a relationship exist between employment generation and economic growth and development?
- v. Can the youth contribute to nation building and enhance sustainable development of the national economy?

Research hypotheses

In the course of this research effort, the hypotheses stated below were tested.

HYPOTHESIS I

H₀: Small and medium scale enterprises and sustainable development of the Nigerian economy are not related.

H₁: Small and medium scale enterprises and sustainable development of the Nigerian economy are related.

HYPOTHESIS II

H₀: Promotion of SMEs and improvement in employment generation are not related.

H₁: Promotion of SMEs and improvement in employment generation are related.

Scope of the study

The impact of small and medium scale enterprises on employment generation in Lagos State was the jurisdiction of this study with a major focus on Shomolu Local Council Development Area of Lagos State. Other areas focus by the study were critical examination of the role of SMEs on national economic development of Nigeria, problems of SMEs in Nigeria, history of SMEs in Nigeria among others.

II. Literature Review

This study reviewed extensively the idea of small and medium scale enterprises as viewed by various authors who took keen interest in the subject. Some of the areas that were visited include characteristics of small and medium scale enterprises, history of the subject both locally and globally, relevance of it to economic growth and development forms of small and medium scale enterprises among others.

Conceptual Framework

Poverty, unemployment, and high crime rates in Nigeria have been of great concerns to the various governments (federal, state and local) as well as the civil society. The decreasing Human Development indicators as well as low level of productivity in all sectors of the economy represent disturbing indices and also contribute to the dismal performance of Nigerian SMEs. The attainment of Millennium Development Goals (MDGs) to a large extent is contingent on

how the various tiers of government vigorously pursue the development of SME sub-sector. The MDGs e.g. like halving the proportion of people living in extreme poverty, reducing maternal and infant mortality and increasing level of literacy by 2015 may become a mirage without a virile SME sub-sector. According to Fagge (2004), both the World Bank and the International Labour Organization observed the role and trend of unemployment in Nigeria. Unemployment gap is widened by the industrial collapse and poor performance of agricultural sector over the years. The discovery of oil has led to the dwindling revenue of the government from agricultural sector and an increase in revenue from the oil sector. The statistics by National Poverty Eradication Programme (NAPEP) shows that national unemployment figures in Nigeria is 70%. Out of 1,110,000 graduates produced by about 149 tertiary institutions in the 1996/1997 academic year, only 100,000 representing 10% were able to secure formal jobs while the rest were left at the mercy of the labour market (Fagge 2004).

Development experts have identified corruption and neglect of the strategic role of small and medium enterprises as some factors responsible for underdevelopment. Given the vital contributions which SMEs play in developed and developing economies and considering the on-going reforms by the government of Nigeria, which are primarily aimed at creating wealth, reducing poverty, generating employment, re-orientating values, and stimulating real economic growth, it becomes compelling for the SME sub-sector to be revitalized toward playing its expected roles. The SMEs remain a veritable vehicle for the transformation of Nigerian economy. For the governments to realize the lofty objectives of the development programmes, the SME sub-sector has to be thoroughly revamped and focused. This is one of the ways that the government can be sure of realizing the objectives of the well-intended economic reforms and move the economy forward for the benefits of all stakeholders, particularly the impoverished masses.

Small and Medium Scale Business Defined

Lawal, (2002) opines there is no universal definition of small scale industry. Definition also changes over time, owing to changes in price level, advances in technology and other considerations. Criteria that may be used in the definition of SSIs on small scale enterprises

(SSEs) often include turnover, gross output and employment. These factors are usually used because they are functional and easy to measure.

Before 1992, there were varied definition of SSEs adopted by different constitutions including Central Bank of Nigeria, NBCI, NERFUND centre for industrial research and development (CIRD), National of Industry, the centre for Management and development (CMD) etc. In 1992, the National Council of Industry (NCI) streamlined the definition of industrial enterprises for recurrent review every four years. There was a revised edition in 1996. In July 2001, the National Council of Industries at its 13th meeting in Markurdi, Benue State (NCI – 13) made the following revisions.

Micro/Cottage Industry

That is an industry with total capital employed of not than N15 million working capital but excluding cost of land and or a labour size of not more than 10 workers.

Small – Scale Industry

An industry with total Capital employed of over N1.5 million but not more than N50 million, including working capital but excluding cost of land, and or labour size of 11 – 100 workers.

Medium – Scale Industry

An industry with a total capital employed of over N50 million but not more than N200 million, including working capital but excluding cost of land, and or a labour size of 101 – 300 workers.

Large – Scale Industry

An industry with a total capital employed of over N200 million, including working capital but excluding cost of land or a labour size of over 300 workers. Comparatively, most advanced countries seemed to have agreed on a maximum limit of 500 employees as a small Firm.

History of Small and Medium Scale Enterprises

As the United States took the big jump from agriculture – dominated society to an industry society, self-employment statistics also changed dramatically. By 1900, about 80 percent of the work force was self employed, while about 20 percent worked for other firms. As the year 2000 approaches, the opposite is essentially true. 20 percent of workers today are self-employed, while 30 percent work for other firms and businesses.

One might conclude from this that there are fewer small firms in the Country, but that is not true. In fact, small firms are as popular as ever. The decrease in self-employment came from a decline in the number of Independent farmers, which was largely offset by an increase in large firm employment.

But the shift in the business economy from self-employment to large firm employment changed how our economy functions and even governments attitude toward business. The ups and downs of business cycles are far more hazardous to people dependent upon large firm payrolls. And this has led to a greater dependence upon workers protection such as social security, Medicare, and mandatory worker's compensation insurance, unemployment insurance, and other measures designed to combat economic dimensions and unemployment. These changes have also made it necessary for the small scale firm entrepreneurs to have a better grounding in management and the ability to anticipate and deal with economic and business cycles when necessary.

Neglect of Small and Medium Enterprises in Nigeria

Attempts by developed and developing countries to eradicate poverty and unemployment initially focuses on the development of large enterprises, based on the traditional economy of scale. This theory is predicated on the assumption that, 'big' is 'better' while 'small is bad'. Small enterprises were seen as outdated and synonymous with technological and economic backwardness. Ironically almost all the businesses that were initially small eventually became large business enterprises. Most of the Multinational Corporations like Philips international of Netherland, Sony of Japan etc. started as family business ventures. In Nigeria, there are indigenous enterprises such as Adebowale Electrical and JOAS Electrical Industry Limited that started as small outfits, importing finished. The same thing is applicable to enterprises like Doyin Investment, Eleganza Nigeria Limited, Dangote Group of companies and Dantata Group of companies to mention just a few that commenced operations as prime movers of trades and imports before they diversified into manufacturing business.

Life Cycle of Small and Medium Enterprises

In general, the ideal life cycle of small and medium enterprises as posited by Udhe (1999) can be divided into four phases viz: start up, accelerated growth, stable growth and maturity.

Start up usually lasts for a period of one of three years during which the founder supervises the whole business activities that may be carried out by family members, friends or small number of employees.

The Phase of Accelerated Growth usually lasts three to four years. During this period, the founder or a management expert handles management. At this point, a corporate organization is developed thereby leading to separation of ownership from management.

The Stable Growth phase typically has duration of two to five years. During this period, management expertise and the corporate organization are divided into numerous departments and inflow of stable, long-term venture capital from corporate investors begins to appear.

Finally, **the Phase of Maturity** that may start after several years of beginning in the business adopts the same type of management as stable growth phase but major difference being that sources of funding may become more diverse.

Strategic Importance of SMEs: Myth or Reality

In spite of the foregoing strategic advantages of SMEs, some analysts have argued that many assumed strategic benefits of small firms may be ‘myth’ rather than ‘reality’. The following provides critical review of these arguments and their empirical evidence.

Employment: In most developing countries, micro enterprises and small-scale enterprises account for the majority of firms and a large share of the employment. The relative importance of small business varies significantly across countries and within a given country, across stages of development over time. A comparative study of manufacturing firms by Snadgross and Briggs (1996) shows common pattern in the transformation of the size distribution of firms as industrialization by concluding that small-scale enterprises play a declining role as countries develop.

Labour Intensity: Small firm employ a large share of the labour force in many developing countries. Theoretically, SMEs are regarded to be more labour intensive than large firms. However, some research evidence suggests that many SMEs are in fact more capital intensive (Little, Mazxumbar and Page, 1987). Labour intensity exhibits more variation across industries than among firm-sized groups within industries (Snodgrass and Biggs, 1996).

Job Creation: It is often argued that SMEs are important for employment growth. This conviction has not been supported by empirical evidence, while job creation rates are substantially higher for small firms, so are gross destruction rates, SMEs exhibit high birth rates and high death rates and many small firms fail to grow (Davis, Haltiwagner, Schuh, 1993).

Efficiency: Most studies of developing countries show that the smallest firms are least efficient and there is some evidence that both small and large firms are relatively inefficient compared to medium-scale firms (Little, Mazumdar and Page, 1987).

It is often argued that SMEs are more innovative than larger firms probably due to the adoption of 'niche strategies', such as high product quality, flexibility and responsibility to customer needs as means of competing with large-scale businesses (Snodgrass and Biggs 1996). However, ACS, Morck and Young (1999) found that these innovations often take time, and large firms may have more resources to adopt and implement them.

Wages and Benefits: Although, research evidence suggests that larger employers offer better jobs in terms of working conditions than SMEs. (David, Haltiwanger and Schuh, 1993). There is some evidence that this disparity narrows as industrialization proceeds (Snodgrass and Biggs, 1996).

Social, Political and Equity Justifications: SMEs are often said to contribute to a more equal distribution of income or wealth. However, SMEs owners and workers are likely to be the poorest of the poor, so that SME promotion may not be the most effective poverty alleviation instrument. In reality, the desire of governments to promote SMEs is often based on social and political considerations rather than economic grounds.

The argument for SME promotion on grounds of job creation process of SMEs or of their greater efficiency and growth is supported by conflicting empirical evidence, making it difficult to be justified. Rather, developing country governments should be interested in SMEs because they account or large share of firms and employment in other words, because 'they are there' (Little Mazumdar and Page, 1987).

Empirical Studies on the Importance of SMEs on Employment Generation

The argument on the role of small and medium scale enterprises in ameliorating the menace of unemployment in national economy has been in the front burner for years and this has geared many scholars on the subject to conduct researches that could beam light on the issue. It is in the same spirit that reviewing past research studies on the subject becomes imperative.

Considering a study conducted by Lawal, (2011) which was basically a survey of small and medium scale enterprises in local government in Lagos State and the purpose was to assess the strategic role of participating SMEs in economic development. Data for this study was generated from both primary and secondary sources through the use of self administered questionnaires and structured interview. Content analysis of records particularly financial record of some participating SMEs were undertaken to obtain the secondary data. For this particular study, a total population of 2,670 was used among which stratified sampling techniques was employed to select 1,000 SMEs upon which the research instruments were administered. The result of the analysis conducted sequel to the study shows that international SMEs contributed more than domestic SMEs in all dimension of strategic importance. In other words, SMEs with international presence are stronger and perform better than those without international presence therefore making the former to be more of strategic importance to development than the latter.

In a similar study carried out by Okpetu (2002) in which key success factor in SMEs were researched since success is a measure of effectiveness of the sector and the impact of the sector on the overall development of participating firms and by extension national economy at large.

In that study, the researcher adopted a cross sectional survey of small and medium enterprises in Lagos. The primary data were gathered through a self-administered questionnaire and complemented with content analysis of some published reports on small and medium enterprises.

A sample of 200 entrepreneurs selected across different industries was selected for the study. The choice of industries and selection of samples were based on accidental sampling method. Participating respondents were operators of small and medium enterprises who volunteered to respond to our questionnaire. The sampling method was adopted due to lack of comprehensive information on the population of small and medium enterprises operating in Lagos.

The main instrument used was a self-administered questionnaire divided into two main sections. Section A contained questions on success factors. Respondents were provided with following options: Critically important coded 5 points, very important coded 4 points, important coded 3 points, somewhat important coded 2 points, and least important coded.

Section B of the questionnaire requested for the background information of the entrepreneurs and the organization. To empirically answer the research questions, descriptive statistics such as mean, mode median and standard deviation were employed in analyzing the responses of participating respondents. Out of the 2000 firms and entrepreneurs that participated usable and complete data were obtained from 195. The findings of this study reveal that considerable percentage of Nigerian working population (that is 20-49 years) is increasing seeking for self-employment. This age group constitutes responsible men who have attended higher institutions. The survey of these entrepreneurs also indicate that technology proper planning, financial survival of Nigerian small and medium enterprises.

In the contemporary business environment technology is a vital factor that must be reckoned with. Lack of technology will result from absence of research and inability to adopt modern techniques, thereby resulting into low productivity. Hence, there is no gainsaying in the fact technology is one of the challenges in the growth of Nigerian small and medium enterprises.

The significance of finance in small and medium enterprises development is well established and generally accepted, successive governments over the years have implemented various financing arrangements at the micro level to assist small and medium entrepreneurs.

Nigeria is blessed with vast natural, human and material resources, which implies that she has great potential for emergence of a vibrant industrial sector, particularly in small and medium enterprises.

The role of small and medium enterprises in the technological and industrial development of any nation justifies the need for greater attention to this sector. The foundation of growth in developed countries of the world is usually attributed to the contribution of the small and medium enterprises.

In Nigeria, the successive administrations have adopted various policy measures aimed at stimulating, sustaining and supporting entrepreneurship, development in small and medium enterprises. The success of these measures will be dependent on the presence of some key factors such as technology, financial control, proper planning and productivity of labour force. All these factors attest to the fact that creation of enabling environment and effective management will assist in the growth and development of small and medium enterprises.

Relating the study conducted by Lawal (2011) to the one conducted by Okpetu (2002) it therefore follows that for SMEs irrespective of the nature of their business ideology, key success factors such as proper planning, good financial control, technology, sustainable improved employee productivity are germane to success of the organizations whether such SMEs are with international presence or only domesticated in Nigeria.

In a similar study conducted by Ojodu (2005) on SMEs as a sustainable development strategy in Nigeria in which random sampling techniques was used to select 200 respondents out of a total population of 350 SMEs within Mushin local council development area of Lagos State with the adoption of questionnaire and interview as research instrument it was discovered that majority of this respondents see their businesses (SMEs) as a way out of endless unemployment meaning SMEs is a singular and unmatched strategy of combating underdevelopment occasioned by the menace of unemployment with attendant predicament associated with it. Considering the above reviewed empirical studies, SMEs no doubt is an indispensable factor to ensure sustainable growth and development in an economy characterized by incessant kidnapping, political thugery, harm robbery and other socio vices brought about by unemployment. However, SMEs will not record speedy development even to going international if major success factors such as technology application, proper planning, adequate finance, good infrastructures among others are not provided as at when needed as supported by Okpetu (2002).

Problems of Small and Medium Enterprises

Baadam (2004) asserted that the following problems militate against the effective operation of small and medium enterprises in Nigeria;

Poor Implementation of Policies: there have been many good policies formulated in the past by the government to improve, but weak implementation has made it impossible to realize the goal.

Lack of Continuity: most small scale establishments are sole proprietorship and such establishment often ceases to function as soon as the owner loses interest or dies. This raises the risk of financing such business.

Poor Capital Outlay: inadequate capital outlay has often affected small scale business adversely. Financiers often regard the sector has high risk area and therefore feel skeptical about committing their fund to it.

Poor Management Expertise: Management has always been a problem in this sector as most small scale businesses do not have the required management expertise to carry them through once the business start growing. The situation gets compounded as training is not usually accorded priority in such establishments.

Inadequate Information Base: Small scale business enterprises are usually characterized by poor record keeping and that usually starve of necessary information required for planning and management purposes. This usually affects the realization of the sector.

Lack of Raw Materials: In some small scale business enterprises, raw materials are sourced externally, hence the fate of such enterprises to foreign exchange behavior. The fluctuation of foreign exchange may therefore make it difficult to plan and that may precipitate same stock that may destabilize the setup.

Poor Accounting System: the accounting system of most small scale business enterprises lack standard and does not make room for the assessment of their performances. That creates opportunity for mismanagement, which consequently may lead to enterprise failure.

Unstable Policy Environment: Government policy instability has not been helpful to small scale businesses. That has been destabilizing and has indeed sent many SMEs to early fold-ups.

III. Research Method and Mesign

Sample survey research design was adopted in the course of the study since it is relatively impossible to study all the elements that made up the unemployed population of youths residing in Shomolu area of Lagos state.

Sampling Design and Procedure

Since it is practically impossible to study all the unemployed youths and small and medium manufacturing and services enterprise owners in Shomolu area of Lagos State, the researcher adopted random sampling technique to select samples adopted for this study. A total number of 150 samples were selected for this study. In other words, 150 small and medium scale enterprises consisting of both manufacturing and services businesses and 150 questionnaires were administrated to them so as to solicit the needed data. The SMEs selected for this study were printing businesses, food vendors and restaurants, business centers, printing materials shops with employment capacity ranging from 2-10 employees and spread across Moshalashi Street, Akeju Street, Idera Street among others in the area.

Nature and Sources of Data

Due to the nature of this study, primary data will be appropriate for this study. To source for this data, both questionnaire and interview will be adopted.

Method of data analysis

To derive useful meaning from the data generated, the following statistical techniques and procedures was used.

- i. Simple Percentage: This was used in analysis of each of the questions in the questionnaire and was presented in tabular form.
- ii. chi-Square: This was adopted in testing the hypothesis formulated. The Chi-Square formular is stated below:

$$X^2 = \frac{\sum(O - E)^2}{E}$$

Where:

O = Observed frequencies

E = Expected frequencies

X^2 = Chi-square

- iii. All the statistical test and analysis were carried out at the convectional 5% level of significance.

Decision Rule

If the calculated value is less than the critical value, accept H_0 and reject H_1 .

If the calculated value is greater than the critical value, accept H_1 and reject H_0 .

Administration of data collection instrument

The researcher personally visited the one hundred and fifty (150) small and medium enterprises precisely in the Moshalashi Street, Akeju Street, Idera Street among others in the Shomolu Area of Lagos State to administer the questionnaire and also made contact with selected SME business owners in the area to schedule an interview adopted for this study. This was achieved within a period of two weeks. The questionnaires were handed over to the respondents who happened to be owners of small and medium enterprises in Shomolu area of Lagos State.

Data presentation, interpretation and analyses

This chapter supplies analysis of data collected through the questionnaires distributed and retrieved in order to ascertain if small and medium scale enterprises and employment generation are related in the Nigeria economy. The responses were collected and chi-square method adopted in analyzing the responses and testing the hypothesis.

A total of a hundred (150) copies of the questionnaires were administered out of which one hundred and twenty (120) copies representing (80%) of the questionnaire were properly completed and retrieved while thirty (30) copies representing 20% were not retrieved.

Table 1: Analysis of Response Rate

S/N	Administered Questionnaire	Frequency	Percentage
1	Returned	120	80%
2	Unreturned	30	20%
	Total	150	100%

Source: Field survey, 2012

The rest of the chapter provides the result of socio economic questions posed to the respondents and discussion of data analysis of responses from the one hundred and twenty (120) responses that were properly filled, completed and retrieved through the research instruments adopted.

Respondents characteristics and classifications

Part A:

Analysis of Respondents' Bio-Data

The bio-data analyses of the one hundred and twenty (120) properly completed questionnaires were shown below:

TABLE 2 SEX

Feature	Code	Frequency	Percentage
Sex			
Male	1	72	60
Female	2	48	40
Total		120	100

Source: Field Survey, 2012

Table 2 above shows that seventy-two (72) respondents representing 60% of the sample size were males while forty-eight (48) respondents representing 40% of the sample size were females. Thus, majority of the respondents were males.

TABLE 3 AGE

Feature	Code	Frequency	Percentage
Age			
Below 25Years	1	23	19
25-35Years	2	77	64
36-45Years	3	20	17
Above 45 Years	4	-	-
Total		120	100

Source: Field Survey, 2012

Table 3 above shows that twenty-three (23) respondents representing 19% of the sample size were of the age group below 25 years, 77 respondents representing 64% of the sample size were of the age group 25-34 years, twenty (20) respondents representing 17% of the sample size were of the age group 36-45 years while option above 45 years attracted no respondent.

Thus, majority of the respondents were of the age group 25-35 years.

TABLE 4 MARITAL STATUS

Feature	Code	Frequency	Percentage
Marital Status			
Single	1	70	58
Married	2	50	42
Divorced/Separated	3	-	-
Widow/Widower	4	-	-
Total		120	100

Source: Field Survey, 2012

Table 4 above shows that seventy (70) respondents representing 58% of the sample size were singles, fifty (50) respondents representing 42% of the sample size were married while other options made available in the question attracted no respondent.

Thus, majority of the respondents were singles.

TABLE 5 EDUCATIONAL BACKGROUNDS

Feature	Code	Frequency	Percentage
Educational Background			
WAEC/NECO	1	24	20
ND/NCE	2	34	28
HND/B.Sc	3	42	36
MBA/M.Sc	4	10	8
Professional	5	10	8
Total		120	100

Source: Field Survey, 2012

Table 5 above shows that twenty-four (24) respondents representing 20% of the sample size were secondary school leavers, thirty-four (34) respondents representing 28% of the sample size were ND/NCE holders, forty-two (42) respondents representing 36% of the sample size were HND/B.Sc holders, ten (10) respondents representing 8% of the sample size were MBA/M.Sc holders while another ten (10) respondents representing 8% of the sample size were professionals. Thus, majority of the respondents were HND/B.Sc holders.

TABLE.6 YEARS IN SERVICE

Feature	Code	Frequency	Percentage
Years in Service			
Less than 5 Years	1	96	81
5-10 Years	2	16	13
11-15Years	3	6	5
16-20Years	4	3	2
Above 20 Years	5	-	-
Total		120	100

Source: Field Survey, 2012

Table 6 above shows that ninety-seven (97) respondents representing 81% of the sample size have been on the job for less than five years, sixteen (16) respondents representing 13% of the sample size have been on the job for a period of 5-10 years, six (6) respondents representing 5% of the sample size have been on the job for a period of 11-15 years, two (3) respondent representing 2% of the sample size has been on the job for a period of 16-20 years while option 20 years and above attracted no respondent. Thus, majority of the respondents have been on the job for less than five years.

Presentation and analysis of data according to research statement

Determining the impact of small and medium enterprises on employment generation, the responses were determined by requesting the respondents to rate the output of their responses on a scale ranging from strongly agree to strongly disagree coded 5 to 1 respectively. The results of the analyses were represented in the tables below.

Part B:

Analyses of Responses to Research Questions

TABLE.7 Accelerated economic growth and development is a sine qua non for improving the quality of life.

Description	Code	Frequency	Percentage
Strongly Agree	5	36	30
Agree	4	36	30
Undecided	3	22	18
Disagree	2	13	11
Strongly Disagree	1	13	11
Total		120	100

Source: Field Survey, 2012

Table 7 above shows that 36 respondents representing 30% of the sample strongly agreed, 36 respondents representing 30% of the sample agreed, 22 respondents representing 18% of the sample undecided, 13 respondents representing 11% of the sample while another 13 respondents representing 11% of the sample strongly disagreed with the statement. Thus, a majority of the respondent agreed with the statement.

TABLE.8 The economy depends on its working population for economic growth and development.

Description	Code	Frequency	Percentage
Strongly Agree	5	42	35
Agree	4	43	36
Undecided	3	10	8
Disagree	2	12	10
Strongly Disagree	1	13	11
Total		120	100

Source: Field Survey, 2012

Table 8 above shows that 42 respondents representing 35% of the sample strongly agreed, 43 respondents representing 36% agreed, 10 respondents representing 8% of the sample undecided, 12 respondents representing 10% of the sample size disagreed while 13 respondents representing 11% of the sample strongly disagreed with the statement. Thus, majority of the respondent agreed with the statement.

TABLE.9 Small and medium scale enterprises contribute to global economic growth and development.

Description	Code	Frequency	Percentage
Strongly Agree	5	29	24
Agree	4	30	25
Undecided	3	55	46
Disagree	2	3	2
Strongly Disagree	1	4	3
Total		120	100

Source: Field Survey, 2012

Table 9 above shows that 29 respondents representing 24% of the sample strongly agreed, 30 respondents representing 25% agreed, 55 respondents representing 46% of the sample undecided, 3 respondents representing 2% of the sample size disagreed while 4 respondents representing 3% of the sample strongly disagreed with the statement. Thus, majority of the respondent were undecided about the question.

TABLE.10The role of enabling environment on sustainable employment generation should be re-echoed.

Description	Code	Frequency	%
Strongly Agree	5	25	21
Agree	4	27	23
Undecided	3	23	19
Disagree	2	22	18
Strongly Disagree	1	23	19
Total		120	100

Source: Field Survey, 2012

Table 10 above shows that 25 respondents representing 21% of the sample strongly agreed, 27 respondents representing 23% agreed, 23 respondents representing 19% of the sample undecided, 22 respondents representing 18% of the sample size disagreed while 23 respondents representing 19% of the sample strongly disagreed with the statement. Thus, a majority of the respondent agreed with the statement.

TABLE.11 Sustainable employment generation solve socio-economic problem inherent in Nigeria national economy

Description	Code	Frequency	Percentage
Strongly Agree	5	44	37
Agree	4	41	34
Undecided	3	25	21
Disagree	2	5	4
Strongly Disagree	1	5	4
Total		120	100

Source: Field Survey, 2012

Table 11 above shows that 44 respondents representing 37% of the sample strongly agreed, 41 respondents representing 34% agreed, 25 respondents representing 21% of the sample undecided, 5 respondents representing 4% of the sample size disagreed while 5 respondents representing 4% of the sample strongly disagreed with the statement. Thus, majority of the respondent strongly agreed with the statement.

TABLE.12: The youth should be encouraged to develop and nurture entrepreneurial spirit.

Description	Code	Frequency	Percentage
Strongly Agree	5	42	35
Agree	4	43	36
Undecided	3	10	8
Disagree	2	12	10
Strongly Disagree	1	13	11
Total		120	100

Source: Field Survey, 2012

Table 12 above shows that 42 respondents representing 35% of the sample strongly agreed, 43 respondents representing 36% agreed, 10 respondents representing 8% of the sample undecided, 12 respondents representing 10% of the sample size disagreed while 13 respondents representing 11% of the sample strongly disagreed with the statement. Thus, majority of the respondents agreed with the statement.

TABLE.13 Entrepreneurship reduces poverty and improve standard of living.

Description	Code	Frequency	Percentage
Strongly Agree	5	47	39
Agree	4	22	18
Undecided	3	14	12
Disagree	2	29	24
Strongly Disagree	1	8	7
Total		120	100

Source: Field Survey, 2012

Table 13 above shows that 47 respondents representing 39% of the sample strongly agreed, with the statement, 22 respondents representing 18% agreed, 14 respondents representing 12% of the sample undecided, 29 respondents representing 24% of the sample disagreed while 8 respondents representing 7% of the sample strongly disagreed with the statement. Thus, a majority of the respondents strongly agreed with the statement.

TABLE. 14 Youth employment reduces social vices in an economy.

Description	Code	Frequency	Percentage
Strongly Agree	5	42	35
Agree	4	43	36
Undecided	3	10	8
Disagree	2	12	10
Strongly Disagree	1	13	11

Total		120	100
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Source: Field Survey, 2012

Table 14 above shows that 42 respondents representing 35% of the sample strongly agreed, 43 respondents representing 36% agreed, 10 respondents representing 8% of the sample undecided, 12 respondents representing 10% of the sample size disagreed while 13 respondents representing 11% of the sample strongly disagreed with the statement. Thus, majority of the respondents agreed with the statement.

TABLE.15 Giving of right focus to the youth welfare prevent crime and other social vices in our society.

Description	Code	Frequency	Percentage
Strongly Agree	5	40	33
Agree	4	36	30
Undecided	3	14	12
Disagree	2	16	13
Strongly Disagree	1	14	12
Total		120	100

Source: Field Survey, 2012

Table 15 above shows that 40 respondents representing 33% of the sample strongly agreed, 36 respondents representing 30% of the sample size agreed, 14 respondents representing 12% undecided, 16 respondents representing 13% disagreed while 14 respondents representing 12% of the sample strongly disagreed. Thus, a majority of the respondent strongly agreed with the statement product brand building and organization profitability.

TABLE.16 The youth can enhance sustainable development of the Nigerian economy.

Description	Code	Frequency	Percentage
Strongly Agree	5	26	22
Agree	4	24	20
Undecided	3	23	19
Disagree	2	22	18

Strongly Disagree	1	25	20
Total		120	100

Source: Field Survey, 2012

Table 16 above shows that 26 respondents representing 22% of the sample strongly agreed, 24 respondents representing 20% agreed, 23 respondents representing 19% undecided, 22 respondents representing 18% disagreed while 25 respondents representing 20% of the sample size strongly disagreed with the statement. Thus a majority of respondent agreed with the statement.

Table 17 Entrepreneurship can promote industrial and technological growth.

Description	Code	Frequency	Percentage
Strongly Agree	5	42	35
Agree	4	43	36
Undecided	3	10	8
Disagree	2	12	10
Strongly Disagree	1	13	11
Total		120	100

Source: Field Survey, 2012

Table 17 above shows that 42 respondents representing 35% of the sample strongly agreed, 43 respondents representing 36% agreed, 10 respondents representing 8% of the sample undecided, 12 respondents representing 10% of the sample size disagreed while 13 respondents representing 11% of the sample strongly disagreed with the statement. Thus, majority of the respondents agreed with the statement.

Table 18 Promotion of SMEs and improvement in employment generation are related.

Description	Code	Frequency	%
Strongly Agree	5	36	30
Agree	4	32	27

Undecided	3	32	27
Disagree	2	15	12
Strongly Disagree	1	5	4
Total		120	100

Source: Field Survey, 2012

Table 18 above shows that 36 respondents representing 30% of the sample strongly agreed, 32 respondents representing 27% agreed, 32 respondents representing 27% undecided, 15 respondents representing 12% of the sample disagreed while 5 respondents representing 4% of the sample strongly disagreed with the statement. Thus, a majority of the respondents strongly agreed with the statement.

Table 19 Unemployment is detrimental to economic growth and development.

Description	Code	Frequency	Percentage
Strongly Agree	5	29	24
Agree	4	30	25
Undecided	3	54	46
Disagree	2	3	2
Strongly Disagree	1	4	3
Total		120	100

Source: Field Survey, 2012

Table 19 above shows that 29 respondents representing 24% of the sample strongly agreed, 30 respondents representing 25% agreed, 54 respondents representing 46% of the sample undecided, 3 respondents representing 2% of the sample size disagreed while 4 respondents representing 3% of the sample strongly disagreed with the statement. Thus, majority of the respondent were undecided about the question.

Table 20 Youth unemployment increases the dependent ratio in an economy.

Description	Code	Frequency	%
Strongly Agree	5	25	21

Agree	4	28	23
Undecided	3	23	19
Disagree	2	22	18
Strongly Disagree	1	23	19
Total		120	100

Source: Field Survey, 2012

Table 20 above shows that 25 respondents representing 21% of the sample strongly agreed, 28 respondents representing 23% agreed, 23 respondents representing 19% of the sample undecided, 22 respondents representing 18% of the sample size disagreed while 23 respondents representing 19% of the sample strongly disagreed with the statement. Thus, a majority of the respondent agreed with the statement.

Table 21 Small and medium scale enterprises and sustainable development of the Nigerian economy are related

Description	Code	Frequency	Percentage
Strongly Agree	5	43	36
Agree	4	36	30
Undecided	3	23	19
Disagree	2	14	12
Strongly Disagree	1	4	3
Total		120	100

Source: Field Survey, 2012

Table 21 above shows that 43 respondents representing 36% of the sample strongly agreed, 36 respondents representing 30% agreed, 23 respondents representing 19% undecided, 14 respondents representing 12% disagreed while 4 respondents representing 3% of the sample size strongly disagreed with the statement. Thus a majority of respondent agreed with the statement.

Table 22. The youth occupies a pivotal role in national economic development.

Description	Code	Frequency	Percentage
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Strongly Agree	5	42	35
Agree	4	43	36
Undecided	3	10	8
Disagree	2	12	10
Strongly Disagree	1	13	11
Total		120	100

Source: Field Survey, 2012

Table 18 above shows that 42 respondents representing 35% of the sample strongly agreed, 43 respondents representing 36% agreed, 10 respondents representing 8% of the sample undecided, 12 respondents representing 10% of the sample size disagreed while 13 respondents representing 11% of the sample strongly disagreed with the statement. Thus, majority of the respondents agreed with the statement.

Presentation and analysis of data according to research hypothesis

This subsection of this research report restated the hypothesis formulated and tested it so as to determine the reliability and dependability of the thesis and this was done using chi-square formula.

Part C:

Testing of Hypotheses

Hypothesis I

H₀: Small and medium scale enterprises and sustainable development of the Nigerian economy are not related.

H₁: Small and medium scale enterprises and sustainable development of the Nigerian economy are related.

To test this hypothesis, statement used for table 21 was used.

Small and medium scale enterprises and sustainable development of the Nigerian economy are related

Contingency Table

	O	E	O-E	$(O-E)^2$	$\frac{(O-E)^2}{E}$
	43	24	19	361.0000	15.0416
	36	24	12	144.0000	6.0000
	23	24	-1	1.0000	0.0416
	14	24	-10	100.0000	4.1666
	4	24	-20	400.0000	16.6666
Total	120				$\chi^2_c = 41.9164$

χ^2 calculated = 41.9164

χ^2 tab value at 5% level of significance

$\alpha = 5\% = 0.05$

d.f. = (r-1) (c-1)

where r = row total C = column total

r = 5, c = 2

df = (5-1) (2-1)

df = 4x1 = 4

χ^2 tab at 5% level of significance df 4 = 9.49

INTERPRETATION

From the analysis above, χ^2 calculated value is 41.9164 while χ^2 tabulated values is 9.49. This shows that χ^2 calculated of 41.9164 is greater than χ^2 tabulated of 9.45 i.e χ^2 calculated (41.9164) > χ^2 tabulated of 9.49.

Therefore, we accept H_1 which states that small and medium scale enterprises and sustainable development of the Nigerian economy are related.

Hypothesis II

H_0 : Promotion of SMEs and improvement in employment generation are not related.

H_1 : Promotion of SMEs and improvement in employment generation are related.

To test this hypothesis, statement used for table 18 was used.

Promotion of SMEs and improvement in employment generation are related.

Contingency Table

	O	E	O-E	$(O-E)^2$	$\frac{(O-E)^2}{E}$
	36	24	12	144.0000	6.0416
	32	24	8	64.0000	2.6666
	32	24	8	64.0000	2.6666
	15	24	-9	81.0000	3.3750
	5	24	-19	361.0000	15.0417
Total	120				$\chi^2_c = 29.7915$

χ^2 calculated = 29.7915

χ^2 tab value at 5% level of significance

$\alpha = 5\% = 0.05$

d.f. = (r-1) (c-1)

where r = row total C = column total

r = 5, c = 2

df = (5-1) (2-1)

df = 4x1 = 4

χ^2 tab at 5% level of significance df 4 = 9.49

INTERPRETATION

From the analysis above, χ^2 calculated value is 29.7915 while χ^2 tabulated values is 9.49. This shows that χ^2 calculated of 29.7915 is greater than χ^2 tabulated of 9.45 i.e χ^2 calculated (29.7915) > χ^2 tabulated of 9.49.

Therefore, we accept H_1 which states that promotion of SMEs and improvement in employment generation are related.

IV. Findings, Conclusion and Recommendations

Findings

Analyses of the research statement reveal that small and medium scale enterprises are strategic to attainment of economic prosperity objective of any government. It should be realized however

that, this will remain only a dream without giving adequate priority to the youths since they form chunk of the workforce of every economy.

For an economy to live up to expectation in the committee of nation's development wise, such economy must achieve accelerated economic growth and development which is sine qua non for improving quality of life. The economy depends on its working population for economic growth and development in which the youths constitute greatest percentage and this further establishes the reason why the youth should be gainfully employed. The youth should be encouraged to develop and nurture entrepreneurial spirit since entrepreneurship reduces poverty and improve standard of living.

It was also discovered that giving of right focus to the youth welfare through job creation reduces social vices in an economy. The youth can enhance sustainable development of the Nigerian economy

Lastly, the hypotheses tested reveals that small and medium scale enterprises and sustainable development of the Nigerian economy are related, just as promotion of SMEs and improvement in employment generation are related.

Conclusions

Following the finding stated above, the researcher therefore concluded that for a nation irrespective of its economic ideology to achieve meaningful and sustainable development, adequate attention must be given to wide spread of economic activities through entrepreneurship and small and medium scale enterprise generation. The youth as a major contributor to all round economic growth and development must be given due attention and their yearning for job security must be primary and paramount since they possess greater capability to move the economy forward. This will be easily achieved by encouraging them to be entrepreneurial and focus.

Recommendations

Based on the conclusions stated above, the researcher therefore recommended that for the present and future governance to achieve impressive development, more job should be created especially for the youths in the form of small and medium scale enterprises through policy formulation and implementation since SMEs and economic development are related.

The government should encourage the youth to cultivate and nurture entrepreneurial spirit as a way of achieving gainful employment. The government should review and expand its skill acquisition programme by creating additional skill acquisition centers in addition to the already existing ones in order to boost skill acquisition and entrepreneurial capabilities of the youths. In addition, proper monitoring and funding of such programme should be ex-rayed in order to identify lope-holes therein so as to enhance the achievement of its objectives.

Lastly, attaining the status of the economic development of the western world, Nigeria as an economy should make herself SME driven economy that is adequately supported by the needed fund. In addition, the government should encourage the creation of more micro finance banks that are well supported and regulated to render necessary financial supports.

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