

The Role of Government in Development of SmallScale Business in Enugu Metropolis

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Abstract

This study assessed the role of government in developing small scale businesses in Enugu metropolis. The objectives of the study were to assess the pilot role of government and its institution towards the development of small-scale business; to examine the challenges facing small scale business in Enugu State. Survey method was used in the research. Data for this study were obtained from both primary and secondary sources. The sample size used was 167. The data obtained were presented in tables using frequencies and percentages and analyzed using inferential statistics. The findings show that there was pilot role of government and its institution towards the development of small-scale business and that there was challenges facing small scale businesses in Enugu metropolis such as under capitalization, inadequate planning, inadequate infrastructure facilities etc. The government should take a far-reaching measure aimed at encouraging mass acceptance of made in Nigeria goods was recommended.

Keywords: Role of Government, Businesses, Development

Introduction

The experience all over the world is that small scale businesses play significant role in the linkage of the various sectors of the economy particularly industrial and commercial linkages. There is wide consensus among development economists that small scale labour intensive industries can enhance employment goals like improved income distribution, the generation

and diffusion of local resources, improved spatial distribution of industrial activities and hence the mitigation of rural-urban population movements, among others.

Western economies realized long ago, that small scale businesses are the main drivers of the economy (Ayodeji, 2013). Although big businesses are necessary to preserve and maintain structure within the economy, they have considerable problems of their own. Mega corporations of the earlier era increasingly lost their edge to smaller organization which have sprouted all over the western landscape. According to Ajayi (2011), the small scale industries are well suited to the factor endowment of the Nigeria economy. This is because they promote the use of local raw materials, low technologies and serves as entrepreneurial development centres and can facilitate balance development, since they can be operated at remote and rural areas in addition to having short gestation.

The future economic prosperity of Nigeria lies in the dynamism and growth of small scale businesses (Adegbite, 2009). Small scale businesses constitute a vital engine to economic growth and development. Small scale business in Nigeria, constitute over 80% of all registered companies occupying positions in agro based and allied industries rubber based leather shoes, chemicals, electronics, general merchandizing, restaurants, dress making hair dressing, Photo laboratory (production) etc.

Nigeria like any other nation has witnessed dramatic changes in the industrial landscape. Those changes are largely due to the efforts of the government to convert the economy from agriculture to any industrialized one (Anyanwu, 2011). This arises from the belief that industrialization, besides minimizing independence on the developing economics, increases the country's national output, generates funds for the government and leads to the conservation of foreign exchange earnings. The path towards industrialization in Nigeria has not been easy because of the disparity in resources endowment of the economic units and the low level of investment in the economy, Ayozie (2010). While some units have resources beyond their immediate needs, others may have need for resources beyond what they can presently generate. Efforts have been taken by the Nigerian government for the development of small scale businesses over the years, still there is high level of unemployment and poverty in the country. The realisation of the Millennium Development Goals (MDGs) and the vision of the Government to be rated among the top 20 economies in the world is considerably determined by how government has recognised SSBs as drivers of economic growth and key strategy for poverty alleviation. In view of the immense potential contributions of the small scale business to the industrialization of the country, the researchers has decided to research on the role of government on small scale businesses in Enugu with selected small scale business in Enugu metropolis as a case study.

Statement of Problem

For the past decades, small business enterprises in Nigeria were characterized as essentially backward in the overall development of the Nigeria economy. As a result of this, there has been a prevalent feeling that such businesses could be assisted only for social reasons, not as a promising opportunity for national development. Obviously, too little attention has been paid to the benefits to be derived from helping small enterprises of modernize and grow. This attitude arose partly amongst both the citizens and government and mainly from the very nature of the small business which made it difficult for its impact to

be felt in the economy. However, the over-reliance on natural resources especially crude oil as the mainstay of the economy is capable of making the attainment of their desires an illusion. Government, through its actions may be a hindrance or promoter of small scale businesses; thus, this study seeks to assess the role of government in promoting small scale businesses in Nigeria, taking the experience of small scale business owners operating in Enugu metropolis.

Objectives of the Study

The main objective of the study was to examine the role of government in the development of small scale businesses in Enugu metropolis. The specific objectives are:

1. To assess the role of government and its institution towards the development of small scale business;
2. To examine the challenges facing small scale business in Enugu Metropolis

Research Questions

Based on the objectives of the study the following research questions were raised:

1. What is the role of government towards the development of small scale business in Nigeria?
2. What are the challenges facing small scale business in Enugu Metropolis?

Research Hypotheses

Based on the objective and research questions, the following hypotheses were formulated:

Hypothesis One

H₁: Government has a significant role towards the development of small scale businesses in Enugu metropolis.

Hypothesis Two

H₁: Small scale business in Enugu faces significant challenges.

Conceptual Frame Work

The concept of small scale business over the years have remained vague among scholars, till date, there have not been any generally accepted definition of small scale business globally. Small scale business is a type of business which individual(s) owns and manages the enterprise. It comes in form of sole proprietorship and in some cases partnership i.e. owned by two or more individuals. According to Mawoli and Aliyu (2010), small-scale enterprises refer to all profit-making undertakings that are small in size, have small number of employees, capital employed, number of customers and sales turnover. Small scale business is an autonomously operated enterprise, not dominant in its area of business and meets certain criteria in terms of number of employment and annual receipts (Nickel, Mchugh & Mchugh, 1997). Small scale business is a commercial entity with a labour force of 11-100 workers or a total cost not exceeding N 50 million, with the inclusion of working capital and exemption of cost of land. The Committee for Economic Development Standard identifies a business as small if the management is independent, capital is supplied and ownership is held by an individual or small group of people, the horizon of operation is mainly local, and considered small when compared to the biggest unit in its field of operation.

Merits of Establishing Small Scale Business

An individual that decides to go into small scale business undertakes the business with a measure of risk and perceived benefits in participating in a business venture. Small scale business owners enjoy the following advantages:

i. Profit: The owner appropriates all the profits of the business alone. He or she is in full control of the business because he is the owner and manager; hence, the success of the business depends on his or her personal efforts towards making the business flourish.

ii. Privacy: The owner is not liable to anyone for failing to disclose his or her business strategies. He or she is not bound by any existing laws to publish his account for public consumption.

iii. Direct contact with Employees and Customers: The owner has face to face contact with his or her employees and customers. He or she maintains close relations with his or her employees and therefore supervises them effectively to maximise output and increase efficiency. He or she can better also assess the credit worthiness of his customers and therefore is able to avoid incidence of bad debts and can easily attend to customers' complains in the interest of his business.

iv. Capital Requirements: The capital needed for establishing small businesses is relatively small in comparison to other business firms. The owner may be able to raise capital through his personal savings, borrowing from friends and relatives, and cooperative societies etc.

v. Ease of Formation: The process of establishing a small business is not as burdensome as other firms on a large scale. The only legal document for starting this type of business is registration; a license will be issued to the owner.

vi. Quick Decision Making: The owner does not need to make consultation to anybody before taking decisions. He stands a better chance than other business forms of making quick decision.

vii. Independence: The owner is independent of anybody. As the owner has the privilege of being the administrative head. He bears the responsibility for his own actions.

viii. Tax Advantage: The owner pays personal income tax on the amount of income he is able to declare. It is possible for them to avoid and evade taxes. This is because they are too many and do not publish their account.

ix. Easy Dissolution: As easy as it is to start up a small scale business, so also is the ease to stop the business. The owner can dissolve the business without prior arrangement.

x. Self Interest: The interest of the owner is paramount in any business. The small scale business owner in his own interest takes every opportunity and incentives to make the business; thus, takes adequate precautions and measure to avoid wastage.

Roles of Small Scale Business in the Economy

According to Shokan (1997), some of the roles small scale businesses play in the economy include:

- i. SSBs help in the generation of employment. In most emerging economies, SSBs account for a large proportion of firms and a large share of the employment (Safiriyu & Njogo, 2012).
- ii. SSBs bring about new goods and services and supply the needs of large enterprises, which have to depend on small scale businesses for their own success.
- iii. They encourage the development of local manpower as well as increasing indigenous participation in the manufacturing sector.
- iv. Rural-urban migration is abridged through the creation of SSBs in rural areas. They check the effect of divergence by a premeditated and orderly development of rural areas.
- v. SSBs aid the mobilization of resources in their area of operation; thereby, increasing the living standard of the population.

Role of Government and its Institution towards the Development of Small Business

According to Ile (2003), federal states and local governments should implement the relevant policies in the Nigerian industrial policies and thus provide a conducive environment for the operation of small and medium enterprises in Nigeria. The government of this country should take a far reaching measure aimed at encouraging mass acceptance of made in Nigeria goods and services. Various banks in Nigeria should be encouraged to extend credit facilities to small and medium scale enterprises. The national directorate of employment (NDE) be a guide towards enhancing small scale industries in Nigeria. Provision of constant manpower-Development support Establishment and finance of research institutions. Provision of Direct financial assistance to small business organization, all helps to enhance the small scale industries in Nigeria.

Challenges Facing Small- Scale Industries in Nigeria

- a. **Under- Capitalization:** money matters are not matters of fancy. Virtually, all business needs capital for its operations and growth. Many of the small scale industries are undercapitalized. They have limited sources of finance and this creates the problem of not buying merchandized independently at best price.
- b. **Inadequate Planning:** planning is defined as determining in advance what to do, how to do it, when to do it, who is to do it and even why you should do it. It encompasses setting objectives as well as making day to day decisions on how these objectives can be achieved.
- c. **Lack of Enterprise:** this relates to lack of experience in the line of business which the small scale business owners enter. They may have experience in one line of business and not in another due to his unfamiliarity with the specific problems of the particular new lines of business.
- d. **Inadequate of Infrastructural Facilities:** water, electricity, accessible roads and other means of communication is a sine qua non to the efficient performance of small and medium scale enterprises
- e. **Lack of Skilled Manpower:** owners of the small and medium scale enterprise are people of average means with no specialized skills or enterprise because of financial constraints they are unable to hire the services of specialists on part time or full time basis. As a result, efficiency and productivity are low and hence cannot survive stiff competition.

f. **Poor education and lack of required skills:** poor education and lack of required skill was cited as another cause of business failure in Nigeria. Edemereyor (2005) is of the view that many small scale industries in Nigeria are owned by proprietors neither adequate education, nor the required skill to manage such businesses. Consequently the management of such business is on the basis of trial and error which ultimately leads to business failure.

g. **Government policies and regulation:** Another problem facing small and medium scale enterprises in Nigeria is the effect of government policies and regulation, some of which bring distortions in the structure and management of these businesses. According to Marsden (2003), small enterprise will thrive if they are economically efficient without the plethora of government interventions.

h. **Problem of Acceptability of Nigeria Made Goods.** Another problem staring horribly into the faces of the small and medium entrepreneurs in our country today is the demoralizing effects of our people. Actions and reactions towards the locally made products as Onuoha (2004) rightly stated "as an after math of our low technological base, our small scale business do not produce goods of high quality and cheaper prices as those imported from the more technologically advanced countries. Ejiofor (2009) defined acceptability as the positive attitude toward a product or service which result in its purchase.

i. **High Rate of Loan Diversion and Defaults.** Both loans obtained from government banks and individual persons are used to promote personal aggrandizement, instead of the corporate objective of the business and hence, failure to repay the loan- plus interest (Abdulkodir, 2004).

j. **Incompetence of management:** the major hazard of a small scale business is that the small scale business owner may not know all the management principles and theories; his management practice may jeopardize his business

Empirical Studies

Maunganidze (2013) focused on the role of the government on the establishment and development of small and medium enterprises (SMEs) in Zimbabwe. He identified that a great number of provisions and policies concerning these enterprises are politically motivated and are talk shows, especially when election period is near and agencies created by the government towards SMEs development are not adequately financed by the treasury. Adebisi and Gbegi (2013) examined the effect of multiple taxation on SMEs survival in Nigeria and revealed that multiple taxation has negative effect on SMEs' survival and the relationship between SMEs' size and its ability to pay taxes is significant. The study suggested that government should implement uniform tax policies that will favour the development of SMEs and put the size of SMEs as a criterion when setting tax policies.

Adejumo and Olaoye (2012) assessed the adequacy of Industrial Development Centres (IDCs) in Nigeria in funding SSBs. The study indicated that each of the selected IDCs was underfunded by the government to carry out the roles assigned to it towards the development of SSBs in the geographical areas it is established. Oni and Daniya (2012) appraised the role of government and other financial institutions particularly micro finance institutions in the development of SMEs in Nigeria. It was discovered that financial institutions provide the necessary financial assistance that enhance the development of SMEs, but, much needed to be done by the government in the area of policy formulation in order to complement the efforts of financial institutions.

Onwukwe and Ifeanacho (2011) evaluated the impact of government intervention on SME growth in Imo State, Nigeria and found that in spite of various specialised institutions in charge of micro credit and policy instruments, SMEs are being inhibited by the gap between policy and policy implementation in contributing to meaningful economic development. Hassan and Olaniran (2011) examined how assistance institutions contributed to the development of SMEs in Nigeria, with special reference to Industrial Development Centre (IDC), Osogbo. The outcome showed that the assistance institutions have enormously contributed to the promotion of SMEs and entrepreneurship development.

Mobolaji (2010) Conducted A Study on The Impact of Smes on Economic Development in Nigeria (1980-2008). Employing a time series econometric approach, the study found that though SME is a catalyst for development and its impact on the development path in the country is still negligible. The study suggested that the poor performance of SMEs may be due to inadequate funding facilities, low education level and poor government support amongst others.

Area of the Study

The geographical location of the study is Enugu state. Three (3) zones from Enugu south and three zones from Enugu North was used. The three zones under Enugu south are

- a. Uwani
- b. Akwuke
- c. Ikirike

While the three zones under Enugu north are

- a. Coal camp
- b. Ngwo
- c. Ogui new layout

Sources of Data

Data for the study were obtained from two broad sources i.e the primary and secondary sources.

Primary Sources of Data

Primary sources of data include questionnaire, interview and observation.

Questionnaire: Structured or close- ended questions as used in the questionnaire.

Secondary Source of Data

The secondary sources of data include the internet materials, textbooks, journals, magazines, seminar etc.

Population of the Study

The researchers studied small scale industry owners who are into leather shoe industry cassava processing, fashion designing cane chairs making and wood work/carpentry, printing press, from three zones under Enugu south and north local government area. The breakdown of the population is as follows:

Table 3.4.1

Breakdown of The Population

Zone	Leather shoe Ind.	Cassava Processing	Fashion Designing	Cane Chair Making	Wood Work	Total
Uwani	08	03	20	03	10	44
Akwute	07	04	18	02	11	42
Ikirike	04	03	11	01	08	27
Coal Camp	12	05	24	02	12	55
Ogui New Layout	11	04	22	03	11	51
Ngwo	10	08	32	05	13	68
Total	52	27	127	16	65	287

Source: Field Survey, 2018

Therefore, the population of the study is 287 small scale industry owners from the six zones under Enugu South and Enugu North local government area.

Sample Size Determination

Appropriate sample size in a research study is better done by the use of a statistical technique or formula, particularly when dealing with the population. Although, many other ways or techniques are employed in statistically arriving at an appropriate sample size, the formula that has gained popularity is that of Taro Yamane's formula. According to Taro Yamane (1964:280), the sample size of a definite population is given by the formula.

$$n = \frac{N}{1 + N(e)^2}$$

Where

n	=	Sample size
N	=	Population of the study
l	=	Mathematical Constant
E	=	error unit

In this study, the population is 287, the error unit is 0.05 (5%). Substituting in the above formula we have

$$\begin{aligned}
 n &= \frac{287}{1 + 287 \times 0.0025} \\
 &= \frac{287}{1 + 0.7175} \\
 &= \frac{287}{1.7175} \\
 n &= 167.103 \\
 n &= 167
 \end{aligned}$$

Sampling Techniques

Stratified Sampling

To get the sample size for the different zones we make use of the Kumar's formula. According to Kumar (1976: 137), the proportional allocation formula is given by

$$N_h = \frac{n(n_h)}{N}$$

Where n_h = Sample size of each Zone

N_h = Population of each Zone n = Total sample Size

N = Total population

Therefore, for Uwani, we have

$$N_h = \frac{167 \times 44}{287} = 25.60$$

Approximately equal to 26

For Akwuke, we have

$$N_h = \frac{167 \times 42}{287} = 24.43$$

Approximately equal to 24

For Ikirike, we have

$$N_h = \frac{167 \times 27}{287} = 15.710$$

Approximately equal to 16 For Coal Camp, we have

$$N_h = \frac{167 \times 55}{287} = 32.003$$

Approximately equal to 32 For Ogui New Layout, we have

$$N_h = \frac{167 \times 51}{287} = 29.67$$

Approximately equal to 30 For Ngwo, we have

$$N_h = \frac{167 \times 68}{287} = 39.46$$

Approximately equal to 39

The researchers used the random sampling technique in which every element in the population has the same (equal) chance of being selected for the study. The researcher cannot influence the selection under this technique because everything is controlled by probability or chance.

Method of Data Collection/Instrumentation Validity of the Research Instrument

The expert or face validity where the question items in the questionnaire were scrutinized by an expert, to confirm whether they are related to the research work.

Reliability of the Research Instrument

In the Reliability of a research instrument, the test – retest method was used, where the respondents who were given copies of the questionnaire. Their response in the first questionnaire was compared with the second one.

Technique of Data Analysis

The data were analyzed using inferential to statistics. This means, making reference to the values presented in the table, using frequencies and percentages. The hypotheses were tested using the Chi-Square distribution formula, according to the Chi-Square formula.

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

Where

χ^2	=	Chi- Square
Σ	=	Summation sign
O	=	Observed frequency
E	=	Expected frequency

Data Presentation and Analysis

Table 4.1.1

Distribution and Return of Questionnaire

Zone	Number of questionnaire distributed	Number of questionnaire returned	Number of questionnaire Not returned
Coal. Camp	32	31	1
Ngwo	39	37	2
Ogui New Layout	30	29	1
Uwani	26	25	1
Akwuke	24	23	1
Ikirike	16	15	1
Total	167	160	7

Source: Field Survey, 2018

The data presented in this study, were from the respondents. The researcher used questionnaire in the collection of information from the respondents. Out of a total of 32 copies of questionnaire that were distributed to the respondents at coal Camp, 1 copy of the questionnaire was not recovered while 31 copies were recovered, correctly filled and valid. Out of a total of 39 copies of questionnaire that were distributed to the respondents at Ngwo, 2 copies of questionnaire were not recovered while 37 copies of questionnaire were recovered, correctly filled and valid. Out of a total of 30 copies of questionnaire that were distributed to the respondents at Ogui New Layout, 1 copy was not recovered while 20 copies were recovered, correctly filled and valid. Out of a total of 26 copies of questionnaire that were distributed to the respondents at Uwani, 1 copy was not recovered while 25 copies were recovered, correctly filled and valid. Out of a total of 24 copies of questionnaire that were distributed to the respondents at Akwuke, 1 copy was not recovered while 23 copies were recovered, correctly filled and valid. Out of a total of 16 copies of questionnaire that were distributed to the respondents at 1Kirike, 1 copy was not recovered while 15 copies were correctly filled and valid. The breakdown of the distribution and return of questionnaire is as follows.

Table 4.1.2

Is there Any Role of Government and its institutions Towards the Development of Small Scale Business?

Response	Frequency	Percentage
Yes	104	65.00
No	15	9.38
No idea	41	25.62
Total	160	100

Source: Field Survey, 2018

From table 4.1.2 above, 104 respondents, representing 65.00% of the total respondents said yes that there is pilot role of government and its institutions towards the development of small-scale business. 15 respondents, representing 9.38% of the total respondents said no that there is no pilot role of government and its institutions towards the development of small-scale business. 41 respondents, representing 25.62% of the total respondents said they don't have any idea whether there is any pilot role of government and its institutions towards the development of small-scale business.

Table 4.1.3

If yes what is the Pilot Role of government and its Institutions towards the Development of Small – Scale Business?

Response	Frequency	Percentage
Provision of infrastructural facilities	40	25.00
Provision of conducive environment for the operation of small – scale industries	60	37.50
Encouragement of acceptance of made in Nigeria goods	35	21.88
Others	25	15.62
Total	160	100

Source: Field Survey, 2018

From table 4.1.4, 40 respondents, representing 25.00% of the total respondents said the pilot role of government and its institutions towards the development of small-scale business is the provision of infrastructural facilities. 60 respondents representing 37.50% of the total respondents mentioned provision of conducive environment of the operation of small-scale industries. 35 respondents representing 21.88% of the total respondents, mentioned encouragement of acceptance of made in Nigerian goods while 25 respondents, representing 15.62% of the total respondents, mentioned other reasons.

Table 4.1.5

Are There Challenges Facing Small Scale Businesses in Enugu State?

Response	Frequency	Percentage
Yes	147	91.87
No	13	8.13
Total	160	100

Source: Field Survey, 2018

From table 4.5, 147 respondents, representing 91.87% of the total respondents said yes that there are challenges facing small-scale businesses in Enugu State. 13 respondents representing 8.13% of the total respondents said no.

Table 4.1.6:

If yes what are the challenges facing small scale businesses in enugu state?

Response	Frequency	Percentage
Under capitalization	55	34.37
Inadequate planning	30	18.75
Inadequate infrastructural facilities	25	15.63
Others	50	31.25
Total	160	100

Source: Field Survey, 2018

From table 4.1.6, 55 respondents, representing 34.37% of the total respondents said that the challenges facing small-scale businesses in Enugu State is under capitalization. 30 respondents representing 18.75% of the total respondents mentioned inadequate planning. 25 respondents, representing 15.63% of the total respondents mentioned inadequate infrastructural facilities while 50 respondents, representing 31.25% of the total respondents mentioned other reasons.

Testing of Hypotheses

The researcher tested the hypotheses using the chi-square statistical tool. The formula for the chi-square is

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

Where X^2 = Chi-square

O = Observed frequency

E = Expected frequency

Hypothesis One

H₁: There is pilot role of government and its institution towards the development of small scale business.

Hypothesis two was tested using

Table 4.1.2

Constructing The Contingency Table, We Have

Response	O	E	O-E	(O-E) ²	$\frac{(O-E)^2}{E}$
Yes	104	53.33	50.67	256.45	48.14
No	15	53.33	-38.33	1469.19	27.55
No idea	41	53.33	-12.33	152.03	2.85
Total	160				78.54

Source: Field Survey, 2018

This is a case of 3x1 contingency

$$\begin{aligned} X^2 &= \frac{(104-53.33)^2}{53.33} + \frac{(15-53.33)^2}{53.33} + \frac{(41-53.33)^2}{53.33} \\ &= 48.14+27.55+2.85 \\ &= 78.54 \end{aligned}$$

The degree of freedom = n-1 = 3-1 = 2 degree of freedom.

The level of significance = 5% (0.05)

The critical value at 2 degree of freedom and 0.05 level of significance = 5.99

The calculated value (78.54) is greater than the critical value (5.99). Therefore, we should reject the null hypothesis and accept the alternative hypothesis.

Decision: There is pilot role of government and its institution towards the development of small scale business.

Hypothesis Two

H₁: There are challenges facing small scale businesses in Enugu metropolis.

Hypothesis three was tested using table 4.1.5 constructing the contingency tale, we have

Response	O	E	O-E	(O-E) ²	$\frac{(O-E)^2}{E}$
Yes	147	80	67	4489	56.11
No	13	80	-67	4489	56.11
Total	160				112.22

Source: Field Survey, 2018

This is a case of 2 x 1 contingency

$$\begin{aligned} X^2 &= \frac{(147-80)^2}{80} + \frac{(13-80)^2}{80} \\ &= 56.11 + 56. \\ &= 112.22 \end{aligned}$$

The degree of freedom = n-1 = 2-1 = 1 degree of freedom. The level of significance = 0.05. The critical value at 1 degree of freedom and 0.05 level of significance = 3.84.

The calculated value (112.22) is greater than the critical value (3.84). Therefore we reject the null hypothesis and accept the alternative hypothesis, which says that there are challenges facing small scale businesses in Enugu State.

Discussion of Findings

There is a pilot role of government and its institution towards the development of small scale business. The statement was confirmed to be true in the test of hypothesis two where the researcher tested whether there is a pilot role of government and its institution towards the development of small scale business.

There are challenges facing small scale businesses in Enugu State. The statement was confirmed to be true in the review of related literature where the researcher discussed the problems of small scale industries in Nigeria.

Summary of Findings

1. There is a pilot role of government and its institution towards the development of small scale business.
2. There are challenges facing small scale businesses in Enugu State.
3. The researcher found out that the challenges facing small scale business in Enugu State include under capitalization inadequate planning, inadequate infrastructural facilities etc.
4. The researcher found out that the level of education of the owner/proprietor of small scale industries is usually low with consequent low level of business management, technical skills etc.
5. The researcher found out that the major advantage of the small scale industries is its employment potential at low capital cost.
6. The researcher found out that small scale industries are the engine of economic growth and for promoting equitable development.

Conclusion

This study assessed the role of government in developing small scale businesses in Enugu metropolis. Responses from the small scale business proprietors showed that the role government plays cannot be overlooked in the growth and survival of their businesses. This study identified that without government intervention, most small scale businesses would have gone into extinction. Measures taken by the government in time past have been seen to have a significant and positive impact on their businesses. This portends that policy actions implemented by the government towards promoting small scale businesses produce a favourable outcome on their operations. Government initiatives related to entrepreneurship development has had a significant and positive influence on the performance of small scale businesses.

Recommendations

- 1) The researcher is recommending that federal, states and local governments should implement the relevant policies in the Nigerian industrial policies and thus provide a conducive environment for the operation of small scale industries in State.
- 2) The researcher is recommending that various banks in Nigeria should be encouraged to extend credit facilities to small scale industries.

- 3) The researcher is recommending that the government of this country should take a far reaching measure aimed at encouraging mass acceptance of made in Nigeria goods and services.
- 4) The researcher is recommending that small scale industrialists should utilize loans for which the loan was made.
- 5) The researcher is recommending that small scale industrialists should improve business knowledge through training, education and development.
- 6) The researcher is recommending that small scale industrialists should utilize professional assistance from management consultants, legal practitioners bankers etc.
- 7) The Researcher is recommending that small scale industrialists should enter into lines of business that they are experienced.

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