Research Article

The Impact of Small and Medium Scale Enterprise on Poverty Reduction in Nigeria: A Case Study of Odeda Local Government Area of Ogun State

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About Article

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ABSTRACT

The study investigates the impact of Small and Medium Enterprises (SMEs) on poverty reduction Odeda Local Government Area of Ogun State. The research evaluates whether SMEs have a significant impact on eradicating poverty rate in Odeda Local Government Area of Ogun State by reviewing and enumerating the policies and programs government had undertaken, and the reasons for their failure. Questionnaires were used in getting relevant information from SMEs operators, and their responses were analyzed using Statistical package for Social Science (SPSS) with Chi-square tests for hypothesis testing with a specific sample size (n=109). The research study indicates that SMEs impact positively on reducing poverty, by creating jobs, bringing innovative enterprises, providing income opportunities, and support for local economy. A significant relationship was found between SME operation and job creation (p=0.039). Thus, the need to promote SMEs cannot be over-emphasized. In conclusion, the three arms of government should make available credit facilities, improve infrastructural deficiencies, and establish skill acquisition centers without which the achievement of the goal of eradication of extreme poverty and hunger will continue to be a mirage in Nigeria.

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1. INTRODUCTION

Small and Medium Scale Enterprises have contributed immensely to poverty mitigation in Nigeria. They are considered as the main framework of economic growth to any nation's development, and also the support system of innovation, job creation and opportunities, poverty reduction, wealth creation, income distribution and reduction in income disparities. The main focus of SMEs in present times is its ability to employ at a very low capital cost (Usman, 2011). Many economists ascertain that the existence of SMEs in most developing countries like Nigeria are justified by scarcity of capital and administrative experience. Therefore, a new implementation to SMEs began to emerge due to several factors. Empirical diagnosis revealed that poverty was not caused by unemployment or unavailability of job, and most of the poor were widely employed in a variety of small and medium scale low productivity schemes (Beck *et al.*, 2007).

Prior to 1970s, it was understood that SMEs belonged to the past, but this view has changed because the contribution of SMEs has been globally recognized. (Nnanna, 2002). After the economic reform in 1986, the SMEs were considered as influence to Nigeria's growth, poverty mitigation and unemployment strategies in the country at large. Therefore, there is an urgent necessity to promote enterprises in developing countries like Nigeria as it brings about a great transformation that offers well distribution of income and wealth, economic self-support, entrepreneurial development, employment opportunities, and a good number of other positive economic strategies. In Nigeria, it has been statistically proven that SMEs employ 22% of the adult population and provide 70% of the industrial employment and 60% percent of agricultural sector employment thereby reducing poverty (Usman, 2011).

Due to positive impact of Small and Medium Enterprises on the growth and support of a country's economy as observed in the different literature, and the effort made by the government at promoting SMEs in the country, still the impact of SMEs to Gross Domestic Product (GDP) in Nigeria is said to be poorly low (Yusuf & Dansu, 2013). This has really affected every other part of the economy. According to Eze and Okpala (2015), who captured the major problem by stating that despite all the intervention made by the government at the three arms of government to ensure the growth of SMEs in the country, SMEs still fails, which has made the people to continue to revolve in circle of poverty. And at present, businesses owned are closing making unemployment on the increase, and poverty is enveloping the nation. According to Fatai (2011), one of the current problems in Nigeria's are attributed to lack of food, raging poverty, and increasing rate of unemployment which have been undermined by the effort of the SMEs. He also stated that the unwelcoming development is the inability of SMEs to provide the support to influence economic growth and development which is the foundation for poverty reduction.

1.1. Purpose and objective of the study

The primary objective of this study is to investigate the impact of Small and Medium Scale Enterprise on poverty mitigation in Odeda Local Government of Ogun State. The specific objectives are to;

i. Assess the activities of SMEs in Nigeria

ii. Investigate the poverty reduction strategies in Odeda Local Government of Ogun State during the study period.

iii. Determine the contribution of SMEs to poverty reduction in Odeda local government of Ogun state

2. LITERATURE REVIEW

As SMEs are concerned with business innovation and strategies for business opportunities, measures to starting and effectively running of SMES, and their importance in today's Nigeria economy which cannot be overemphasized. The Nigerian economy is often associated with many economic problems linking one of the major problems to the high poverty rate which SMEs assist in poverty mitigation in Nigeria (Yusuf & Dansu, 2013). Ajala and Fakoya (2003) investigated the effort of women's small scale business activities towards the reduction in poverty in Ibadan Northeast local government area of Oyo State, Nigeria. The results revealed that small scale businesses are an important ways of reducing poverty in Oyo State; and that the main issues faced by these SMEs are a lack of funding and necessary infrastructure for growth. Adenuga (2004) stresses that the challenges faced by SMEs in many developing countries like Nigeria are monumental. The seminal role played by the SMEs is not withstanding. Its development is everywhere constrained by some identified factors which includes inadequate infrastructure, unfavorable macroeconomics development, poor management, high rate of business failure, inadequate skilled manpower and so on.

Babatope and Akintunde (2010) investigated the current situation of industrial development in Ondo State, compared with other states in Nigeria. Previous findings and studies in literature were also reviewed, while looking into the some cases of existing small and medium scale enterprises (SMEs) that are within Akure were also investigated with results presented to give the basis for certain problems affecting profitability in businesses. These problems were noted were linked with the unavailability of credit facilities, infrastructures and poor management control. Aremu and Adeyemi (2011) also investigated the major play of SMEs in promoting economic advancement and growth in Nigeria. It was identified that the main advantage of the sector as its employment potential at low capital cost since the labor intensity of the SME sector is relatively higher than that of the large enterprises. It was then concluded that asides the growth influence of the sector and its keen role in the manufacturing and value chains, it also has multiplied effect on the rest of the economy. Aigboduwa and Oisamoje (2013) explained the historical trend in the development of SMEs in Nigeria, and stated numerous opportunities and competitive advantages that are exclusively reserved for Nigerian companies under the Nigerian Content Act 2010. The study stressed the need for access funding needed for the development of the capital base of SMEs.

Ayeni *et al.* (2000) concluded that many SMEs owner do not pay attention to feasibility studies before embarking on their business. The Nigerian factor comes to play here, a situation where people go into business because their neighbors are in such businesses. This risk phenomenon which disregards proper planning is responsible for high rate of business failure in

Nigeria. Njoku (2002) confirmed inconsistencies in government policies as major problems affecting the growth of SMEs. The inability of the government to execute budget on time is a major restriction on the abilities of SMEs. Obitayo (2004) pointed out other factors which includes SMEs inability to provide the required capital funds, inaccessible collateral securities to release loans, shortage of long term policy, and high costs of funds. The wholesale liberalization of the financial sector and tight monetary policy stance to address excess liquidity has resulted in rising interest rate on loans.

3. METHODOLOGY
3.1. Study area
The study area refers to the boundaries set up by the researchers. The research is geographically limited to Odeda Local Government Area of Ogun State, since poverty seems to be prevailing in such area.

3.2. Population of the study
The target population of the study is estimated to be in total of 150 SMEs operators in Odeda Local Government Area of Ogun State. Since it is unconceivable to determine this number, accessing the population that can possibly be reached will be used from which the estimated samples will be drawn.

3.3. Data collection methods
This study will use questionnaires for collection of data; the questionnaire will be used in collecting the needed information from the respondent. Questionnaire method increases the chances of getting honest responses from the respondents since they ensure anonymity of the respondent.

3.4. Sampling procedure
This study adopt a snowball sampling method to select the study respondent. This technique will be used because of unavailability of sampling frame, and the list of all SMEs in Odeda Local Government Area. Snowball sampling is done by pleading with the identified SMEs to sort for more SMEs.

3.5. Sample size determination
The population for this study consists of all SMEs in Odeda Local Government Area of Ogun state which is estimated to be 150. The sample size was determined to be 109 using Yario Yamane's formula

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

Where,
N = population e = margin of error; 1 = constant
N = 150, e = 0.05
Thus: n = 150 / (1 +150(0.05)²) = 109.09091 = 109

3.6. Validity of the instrument
To determine the validity of the research questions used in this research, we used the content validity and criterion-related validity. Content validity emphasizes adequate coverage by the instrument of the scope implied by the topic of the study. This is determined by using a project supervisor as an independent judge. He vets the items in the questionnaire objectively, paying particular attention to the relevance of the subject matter and the coverage of the entire topic of the study. To test for the criterion-related validity of the instrument and to measure its predictive ability in relation to other past and currently validated instruments.

3.7. Method of data analysis
The methods of data collection are those contained in Statistical Package for Social Sciences (SPSS). The statistical techniques employed for the analysis of non-parametric data is Chi-square. It enabled the testing of the significance of association between the independent and dependent variables in the study. The reason for using Chi-square test was that the data were in form of frequency distribution and they are nominal in nature. Chi-square was calculated by the formula:

$$\text{chi square } (\lambda) = \frac{(o\text{-}e)^2}{e}$$

H1: There is no significant relationship between SMEs and poverty reduction
H0: There is a significant relationship between SMEs and poverty reduction

3.8. Research design
This study employs descriptive survey design as it is concerned with collecting data and describing systematically the characteristics of Small and Medium Scale Enterprise in poverty reduction, and to what extent has SMEs has helped in poverty reduction in Odeda Local Government Area of Ogun State.

4. RESULTS AND DISCUSSION
4.1. Descriptive analysis
4.1.1. Socio-economic characteristics of the respondents

Table 1. Percentage distribution of the respondents by socio-economic characteristics

Sex	Frequency	Percent
Male	61	55.5
Female	49	49.5
Total	110	100
Age		
21-30	32	29.1
31-40	29	26.4
41-50	21	19.1
51-60	17	15.5
60 and above	11	10.0
Total	110	100
Marital status		
Single	30	27.3
Married	63	57.3

Divorced	9	8.2
Widow	6	5.5
Widower	2	1.8
Total	110	100
Educational qualification		
WASSCE/GCE	38	34.5
NCE/ND	34	30.9
HND/BSc	21	19.1
M.Sc/MBA	13	11.8
Professional	4	3.6
Total	110	100
Length of service in the firm		
Below 5	17	15.5
5-10	52	47.3
11 and above	41	37.3
Total	110	100
What type of accommodation do you live in		
Owned outright	43	39.1
Being bought on mortgage	7	6.4
Rent from local authority	18	16.4
Rent from housing association	8	7.3
Rent from private landlord	30	27.3
Others	4	3.6
Total	110	100
What is the estimate of your average monthly income		
Less than 5000	21	19.1
5000-10000	29	26.4
11000-15000	33	30.0
I5000 and above	27	24.5
Total	110	100

Source: field survey by the author

Table 1 above describes the socio-economic characteristics of the respondents by the sex, age, marital status, educational qualification, length of service in the firm and their average monthly income.

By sex distribution, most of the respondents (55.5%) are male while female respondents were relatively smaller (49.5%). The respondents within the 21-30 age group have the highest percentage (29.1%) and those that fall into the age group 60 and above constitute the lowest percentage (10.0%). According to marital status, respondents who are married have the highest percentage (57.3%) and respondents who are widower have the lowest percentage (1.8%). As regards educational qualification, the respondents who are WASSCE/GCE holders are said to be the largest (34.5%) and those who have professional certificate are the least (3.6%). Respondents that are between the period 5-10 years of experience on the job have the highest percentage of (47.3%) and those with less than 5years are just (15.5%) of the respondents.

Furthermore, as regards to accommodation, majority of the respondents (39.1%) live in their own house, 7 respondents (6.4%) bought their house on mortgage, 18 respondents (16.4%) live in rented apartment, 8 respondents (7.3%) rented their accommodation from housing association, and 30 respondents (27.3%) rented their accommodation from private authority. Lastly, on average monthly income, 21 respondents (19.1%) earned less than 5000 per month, 29 respondents (26.4%) earned 5000-10000 per month, 33 respondents (30.0%) earned between 11000-15000 per month, and 27 respondents (24.5%) earned 15000 and above per month.

Table 2. Categories of SMEs activities

	Frequency	Percent
Retail	26	23.6
Boutique and hair salon	16	14.5
Hotel and restaurant	8	7.3
Cyber café	13	11.8
Chemists	12	10.9
Workshop	10	9.1
Supermarket	14	12.7
Others	11	10.0
Total	110	100

Source: field survey by the author

Table 2 shows the various activities of SMEs in which different respondent engage in. 26 respondents (23.6%) engage in retail activities, 16 respondents (14.5%) engage in boutique and hair salon, 8 respondents (7.3%) engage in hotel and restaurant, 13 respondent (11.8%) engage in cybercafé, 12 respondents (10.9%) engage in drug retailing, 10 respondents (9.1%) engage in workshop activities, 14 respondents (12.7%) engage in supermarket, and 11 respondents (10.0%) engage in other activities apart those listed.

Table 3. Impact of business productivity on activities of SMEs

	Frequency	Percent
Yes	75	68.2
No	35	31.8
Total	110	100

Source: field survey by the author

Table 3 above shows that (68.2%) of the respondents believes that their business output improves the activities of SMEs significantly, while (31.8%) of the respondents believes that it does not significantly boost the activities of SMEs.

Table 4. Contribution of marketing of product to SMEs activities

	Frequency	Percent
Yes	70	63.6
No	40	36.4
Total	110	100

Source: field survey by the author

Table 4 above shows that (63.6%) of the respondents believes that marketing of products contributes to the activities of SMEs, while (36.4%) of them believes that marketing of products does not contribute to the activities of SMEs.

Table 5. Impact of credit availability facilities on the activities of SMEs

	Frequency	Percent
Yes	80	72.7
No	30	27.3
Total	110	100

Source: field survey by the author

Table 5 above shows that (72.7%) of the respondents believes availability of credit facilities determine the activities of SMEs, while (27.3%) of them believes that it does not determine the activities of SMEs.

Table 6. Policies in place in your area to reduce poverty

	Frequency	Percent
Strongly agree	18	16.4
Agree	24	21.8
Disagree	60	54.5
Strongly disagree	8	7.3
Total	110	100

Source: field survey by the author

Table 6 above shows that 16.4% strongly agree that there are strategies in place to reduce poverty 21.8% agree that that are strategies in place 54.5% disagree that there are no strategies in place and 7.3% strongly disagree that there are no strategies in place.

Table 7. Availability vocational and skills acquisition center in Odeda LGA

	Frequency	Percent
Strongly agree	14	12.7
Agree	29	26.4
Disagree	65	59.1
Strongly disagree	2	1.8
Total	110	100

Source: field survey by the author

Table 7 shows that 12.7% strongly agree that there are vocational and skills acquisition centers. 26.4% agree that there are vocational and skills acquisition centers. 59.1% disagree that there are no vocational and skills acquisition centers in place, and 1.8% strongly disagree that there are no vocational and skills acquisition centers.

Table 8. Contribution of vocational and skills acquisition center to the development of Odeda LGA through job centers self-empowerment and income generation

	Frequency	Percent
Strongly agree	17	15.5
Agree	13	11.8
Disagree	48	43.6
Strongly disagree	32	29.1
Total	110	100

Source: field survey by the author

Table 8 above shows that 15.5% of the respondents strongly agree that the vocational and skills acquisition have been contributing to the development of Odeda LGA 11.8% agree that vocational and skills acquisition have been contributing to the development of Odeda LGA 43.6% disagree that vocational and skills acquisition has not been contributing to the development of Odeda LGA, and 29.1% strongly disagree that vocational and skills acquisition has not been contributing to the development of Odeda LGA.

Table 9. Government programs to reduce poverty in your area

	Frequency	Percent
Transportation	10	9.1
Education	21	19.1
Housing	10	9.1
Health	24	21.8
Income and employment support	25	22.7
Don't know	20	18.2
Total	110	100

Table 9 above shows how government has worked in variety of ways to reduce poverty. 9.1% choose transportation, 19.1% choose education, 9.1% choose housing, 21.8% choose health, 22.7% choose income and employment supports, and 18.2% were not familiar with the government programs.

Table 10. Another program that the government can use to reduce poverty Odeda LGA

	Frequency	Percent
Transportation	24	21.8
Housing	21	19.1
Health	16	14.5
Income and employment support	42	38.2
Don't know	7	6.4
Total	110	100

Source: field survey by the author

Table 10 above shows another program that the government can use to reduce poverty. 21.8% choose transportation, 19.1% choose housing, 14.5% choose health, 38.2% choose income and employment support, and 6.4% choose don't know.

Table 11. These Strategies are beneficial to improve your standard of living over the years

	Frequency	Percent
Strongly agree	27	24.5
Agree	42	38.2
Disagree	23	20.9
Strongly disagree	18	16.4
Total	110	100

Source: field survey by the author

Table 11 above shows that 24.5% of the respondents strongly agree that the strategies have been beneficial to improve their standard of living, 38.2% agree the strategies have been beneficial to improve their standard of living, 20.9% disagree that the strategies have not been beneficial to improve their standard of living, and 16.4% strongly disagree.

4.2. Presentation of statistical results and analysis
The Chi square is computed using the following formula

$$\text{chi square } (\lambda) = \frac{(o-e)^2}{e}$$

Decision rule:
The null hypothesis (H_0) is to be rejected, and the alternate hypothesis is to be accepted if the computed value of the chi-square is greater than the table value; otherwise, accept the null hypothesis and reject the alternative hypothesis.

$\lambda=4.263$ p-value= 0.039
Table 12 above shows the significant relationship between sex and SMEs in reduction of unemployment. This shows that (59.8%) of males agree that SMEs create job opportunities and reduce poverty, while (40.2%) of the female agrees that SMEs create job opportunities and reduce poverty. The Chi-square test revealed a significant $\lambda=4.263$, p-value of 0.039 and we

Table 12. Relationship between sex and SMEs on job creation and reduction of unemployment.

Sex	SMEs in job creation and reduction of unemployment		Total
	YES	NO	
Male	55	6	61
	(59.8)	(33.3)	(55.5)
Female	37	12	49
	(40.2)	(66.7)	(44.5)
Total	92	18	110
	(100)	(100)	(100)

Source: field survey by the author

conclude that there is a significant impact of SMEs on job creation and reduction of unemployment.

Table 13. Relationship between Educational Qualification and SMEs on job creation and reduction of poverty.

Educational Qualification	Create job opportunities and reduce poverty in ODEDA LGA		Total
	Yes	No	
Wasce/Gce	34	5	39
	(37.0)	(27.8)	(35.5)
Nd/Nce	29	5	34
	(31.5)	(27.8)	(30.9)
Hnd/Bsc	17	4	21
	(18.5)	(22.2)	(19.1)
M.sc/Mba	9	3	12
	(9.8)	(16.7)	(10.9)
Professional	3	1	4
	(3.3)	(5.6)	(3.6)
Total	92	18	110
	(100)	(100)	(100)

Source: field survey by the author

$\lambda=1.409$ p-value = 0.843
Table 13 above shows the significant relationship between Educational Qualification and SMEs in job creation and unemployment reduction. This shows that 37.0% of respondent with WASSCE/GCEs agree that SMEs create job opportunities and reduce poverty, 31.5% of the respondents who are NCE/ND holders were of the opinion that SMEs create job opportunities and reduce poverty, 18.5% of the respondents who are HND/B.Sc holders were of the opinion that SMEs create job opportunities and reduce poverty, 9.8%) of the respondent who are M.Sc/MBA holders were of the opinion that SMEs create job opportunities and reduce poverty, and 3.3% of them who are PROFESSIONAL holders were of the opinion that SMEs

create job opportunities and reduce poverty. The Chi-square test revealed a significant $\lambda=1.409$, p-value of 0.843 which is greater than 0.05 and therefore implies that it is not statistically significant and we conclude that there is no significant relationship between educational qualification and SMEs in job creation and poverty reduction.

Table 14. Relationship between length of service in the firm and SMEs on job creation and reduction of poverty

| Length of service in the firm | Create job opportunities and reduce poverty in ODEDA LGA | | Total |
	Yes	No	
below 5	12	5	17
	(13.0)	(27.8)	(15.5)
5-10	14	8	52
	(47.8)	(44.4)	(47.3)
11 and above	36	5	41
	(39.1)	(27.8)	(37.3)
Total	92	18	110
	(100)	(100)	(100)

Source: field survey by the author

$\lambda= 2.672$ p-value = 0.263

Table 14 above shows the significant relationship between length of service in the firm and SMEs on job creation and poverty. This shows that 13.0% of respondents agree that SMEs create job opportunities and reduce poverty, 47.8% of them who have spent 5-10 years in the firm believed SMEs create job opportunities and reduce poverty, and 39.1% who have been in the firm for over 11 years believed SMEs create job opportunities and reduce poverty. The Chi-square test revealed a significant $\lambda= 2.672$, p-value of 0.263 which implies that it is not statistically significant. Hence, there is no a significant relationship between length of service in the firm and SMEs in job creation and poverty reduction.

Table 15. Relationship between Marital status and SMEs on job creation and reduction of poverty.

| Marital status | Create job opportunities and reduce poverty in ODEDA LGA | | Total |
	Yes	No	
Married	54	9	63
	(58.7)	(50.0)	(57.3)
Single	25	5	30
	(27.2)	(27.8)	(27.3)
Divorced	8	1	9
	(8.7)	(5.6)	(8.2)
Widow	3	3	6
	(3.3)	(16.7)	(5.5)
Widower	2	0	2
	(2.2)	(0.0)	(1.8)
Total	92	18	110
	(100)	(100)	(100)

Source: field survey by the author

$\lambda= 5.734$; p-value = 0.220

Table 15 above shows the significant relationship between marital status and SMEs in job creation and reduction of poverty. This shows that 58.7% of respondents who are Married agree that SMEs create job opportunities and reduce poverty, 27.8% of them who are single were of the opinion that SMEs create job opportunities and reduce poverty, 8.7% who are divorced were of the opinion that SMEs create job opportunities and reduce poverty, 3.3% who are widow were of the opinion that SMEs create job opportunities and reduce poverty and 2.2% who are widower were of the opinion that SMEs create job opportunities and reduce poverty. The Chi-square test revealed a significant $\lambda= 5.734$, p-value of 0.220 which is greater than 0.05 and therefore implies that it is not statistically significant and we conclude that there is no significant relationship between marital status and SMEs on job creation and reduction of poverty.

Table 16. Relationship between sex and standard of living

| Sex | Has SMEs been effective in improving your standard of living | | Total |
	YES	NO	
Male	47	14	61
	(65.5)	(38.9)	(55.5)
Female	27	22	49
	(36.5)	(61.1)	(44.5)
Total	74	36	110
	(100)	(100)	(100)

Source: field survey by the author

$\lambda=5.945$ p-value= 0.015

Table 16 above shows the significant relationship between Standard of living and Sex. 65.5% of male respondents agree that SMEs improves standard of living while 36.5% of the female respondents agrees that SMEs improves standard of living. The Chi-square test revealed a significant $\lambda=5.945$, p-value of 0.015 which we attest to this. Therefore, there is a significant relationship between sex and increase in standard of living.

4.3. Discussions
The study sought to determine the impact of SMEs on poverty

reduction in Nigeria. The findings from Table 1 revealed that 55.5% of the respondents were male and 49.5% were female. The result shows that men were more involved in Small and Medium Enterprises in the Odeda Local Government. These research findings are related to previous studies by Mazzarol *et al.* (1999), who discovered that female were generally less likely to originate or own new business than male. Similarly, Kolvereid (1996) highlighted that males possesses significantly higher entrepreneurial mindsets when compared to the females. This study majorly aligns with past research that highlights the relevance of financial input in most developing countries. Beck *et al.* (2007) suggested access to credit plan and initiatives is keen for small businesses start-ups, giving them the necessary funding capital to explore and expand which can foster more job availability and income generation. This underscores a relative approach combining finance access, training, government support, and fostering innovation is necessary for the sustainable growth of SMEs in Ogun State. Such findings aligns with the perspectives of De Mel *et al.* (2008), who argues that interventions targeting multiple facets of business development yield better results in enhancing incomes and reducing poverty. Also, the benefits of business training expanded findings by Al-Mamun *et al.* (2014), who argues that capacity building ideas and reformations are keys to enhance the skills and competencies of entrepreneurs, leading to improved business performance and profitability. Moreover, the major impact of market access on income levels is substantiated by studies such as those by Otoo *et al.*, (2018), which emphasizes that facilitating entry into local and international markets is a vital key for SMEs to struggle, achieve economies of scale, and ultimately contribute to poverty alleviation.

5. CONCLUSION

Based on the findings of the study, the study concluded that Small and Medium Enterprises is a poverty reduction strategy and it remains the main engine of growth in any economy as their operations and investments cover all aspects of economic activities. This has been recognized in Nigeria as it is reflected in most government policies such as SAP, NEEDS etc. It is not sufficient to know the impact of SMEs when they have not been given full incentives for effective performance. It is therefore imperative that policy makers and governments and their agencies provide the technical, technological, financial, managerial assistance and infrastructures needed for the enormous opportunities in the SMEs to be harnessed optimally. These will enable SMEs to play their role in the economy and help government to reduce the high unemployment rate in the country and by extension, reduce poverty. By doing this, our SMEs will assist Nigeria in her quest to becoming one of the twenty biggest economies in the world by the year 2030. No country will be seen as developed with high poverty levels as is currently the case in Nigeria.

RECOMMENDATIONS

The three arms of government should make available credit facilities, improve infrastructural deficiencies, and establish skill acquisition centers without which the achievement of the goal of eradication of extreme poverty and hunger will continue to be a mirage in Nigeria.

i. There should be an increase in government programs on eradicating poverty and also enhance adequate business skills mainly attributed to low levels of education.

ii. SMEs should be funded adequately by governments to enable them to play major roles as the engine of growth of economic development. In this sense, microfinance strategies should be restructured in such a manner that prospective SMEs can have access to loans on a sustainable basis.

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