
SMALL AND MEDIUM DEVELOPMENT AGENCY [SMEDAN] AND DEVELOPMENT OF SMALL SCALE BUSINESSES NASARAWA STATE, NIGEIRA

Charles Nwekeaku, PhD

Onyeka Ossai, MSc.

Department of Public Administration,

Nasarawa State University, Keffi NIGERIA

Abstract:

The Small and Medium Development Agency [SMEDAN] was established to promote, boost and sustain the development of small and medium enterprises, SMEs, in Nigeria. This work is aimed at x-raying the contributions of SMEDAN in developing small and medium scale businesses in Nasarawa State of Nigeria. A survey research design, through the instrumentality of the structured questionnaire, was used to collect data and data from 130 small and medium scale businesses randomly selected from 210 small and medium scale businesses in Keffi, Nasarawa and Lafia local government areas of Nasarawa State. Data were analyzed using simple percentage analysis. The study revealed that SMEDAN had a small significant impact on small and medium scale businesses in Nasarawa State, especially in the areas of creating jobs; increase in investment opportunities for entrepreneurs and improving the socioeconomic status of the inhabitants. The study concluded that small and medium scale business enterprises have induced a little development in Nasarawa State, but the progress is still a far cry from the objectives of SMEDAN. The study recommended that governments and non-governmental organizations should create an enabling environment for the establishment and sustainability of small and medium scale businesses in view of their potential to aid poverty reduction.

Keywords: Creativity, funding, enterprises, entrepreneurship, and economic development.

Introduction

Small and Medium Enterprises, SMEs, are globally acknowledged as the oil required for lubricating the engine of socio-economic transformation of any nation. The SMEs sector is strategically positioned to absorb up to 80% of jobs, improve per capita income, increase value addition to raw materials supply, improve export earnings and step up capacity utilisation in key industries. The sector is structured across other key sectors, including Agriculture, Mining and Quarrying, Building and Construction, Manufacturing, Solid Minerals, etc, and thus has strong linkages with the entire range of economic activities in the country.

They play a pivotal role through several pathways that go beyond job creation. They are growth-supporting sectors that not only contribute significantly to improve living standards, but also bring substantial local capital formation and are responsible for driving innovation and



competition in developing economies. Governments at all levels have undertaken initiatives to promote the growth and development of SMEs. The general perspective is that SMEs are seen as accelerating the attainment of broad socio-economic objectives, including poverty reduction, employment generation, wealth creation, among others.

Small scale businesses provide employment opportunities, create wealth and lead to poverty reduction in the long run. According to the World Business Council for Sustainable Development (WBCSD, 2004) in Organization for Economic Cooperation and Development (OECD) economies, Small Medium Enterprises and Micro enterprises account for over 95% of firms, 60-70% of employment, 55% of GDP and generate the lion share of new jobs. In developing countries, more than 90% of all firms outside the agricultural sector are SMEs and microenterprises, generating a significant portion of Gross Domestic Product (GDP). Morocco is cited as an example; with 93% of industrial firms as SMEs and account for 38% of production, 33% of investment, 30% of exports and 46% of employment [WBCSD, 2004].

For governments all over the world, well-managed and healthy SMEs are a source of employment opportunities and wealth creation. They can contribute to social stability and generate tax revenues. According to the international Finance Corporation (IFC), (WBCSD, 2004) there is a positive relationship between a country's overall level of income and the number of SMEs per 1,000 people. The World Bank's Doing Business reports indicate that a healthy SME sector corresponds with a reduced level of informal activities (WBCSD, 2004).

Small scale businesses in Nigeria have not been able to contribute substantially to the Country's Gross Domestic Product (GDP). The overall economic activities of small and medium enterprises in Nigeria have been estimated to amount to less than ten percent (10%) of the GDP. (SME Sector National Technical Working Group, 2009). 60% of Nigerians still live below the poverty level (UNDP, 2005). The percentage of those living below the poverty line indicates that the percentage of those gainfully employed in the SME sector is quite low.

In order to change the above narratives of the SMEs in the country, the Federal Government empanelled the Small Medium Enterprises Development Agency, SMEDAN, with a clear mandate to resuscitate, boost and sustain the small and medium enterprises to become fully the drivers of the national economy. SMEDAN was designed to serve as a vanguard for rural industrialization, poverty reduction, job creation and enhanced livelihoods. This paper is desined to x-ray the role of SMEDAN in the development of SMESs in Nasarawa State of Nigeria.

Conceptual Framework

The definition of a Small and Medium Enterprise (SME) varies across economies and defining agencies. Three constant factors in the definition globally include number of employees, total annual sales and value of net assets. The Central Bank of Nigeria defines a Small and Medium Scale Enterprise operating in Nigeria as an enterprise with fixed capital or asset between N5million and N500 million (\$26,932 and \$2,693,240), turnover of less than 100 million (\$538,648) per annum and labor force between 11 and 300 (CBN, 2003). According to Otit



(2007), the Center for Industrial Research and Development (CIRD) of Obafemi Awolowo University, Ile-Ife classified a small business as an enterprise with working capital base not exceeding N250,000 (\$1,346.62) and employment of full time 50 workers or less.

Similarly, the National policy on MSMEs, defined small enterprise as an enterprise with a total asset (excluding land and building) worth five million naira but not exceeding N50 million (\$269,324). With a total workforce of above ten, but not exceeding forty-nine employees, and medium enterprises as those enterprises with total assets above N50 million (\$269,324) but not exceeding N500 million (\$2,693,240) (excluding land and labor) with a total workforce of between 50 and 199 employees (SMEDAN, 2010).

In Brazil, SMEs are known as “pequena e media empresas” (PMEs) and have various definitions across different institutions. However, a generally accepted definition by the general law of micro and small enterprises established on December 14, 2006, defines a small business as an enterprise which have an annual turnover not more than R\$ 2,400,000 (USD \$911,682.53) each calendar year. SABRAE, Brazilian agency for micro and small enterprises established in 1972 defines SMEs based on number of employees and annual turnover: a small enterprise in the industry, construction, agriculture and similar sector has a maximum of 99 staff, and maximum of 49 staff in the commerce and service sectors with an annual turnover between R\$240,000 and R\$ 2,400,000 (USD \$ 91168.25 to USD \$911,682.53), while a medium enterprise has a staff count of between 100 to 499 in the industry, construction, agriculture and similar industries and 50 to 99 employees in the commerce and service sectors (Haner, 2011).

In China, SMEs are defined based on the SME promotion Law of China, and this definition varies according to the sector of the economy. In the industrial sector, a SME employs a maximum of 2000 people and have an annual revenue not exceeding RMB300 million (USD \$48,366,426), with a total asset not exceeding RMB 400 million (USD \$64,488,568) (Xianfeng, 2008). A generally accepted definition of Small business in Australia is a business employing less than 20 persons with an average annual turnover of less than \$1million and net assets of less than \$3million, as jointly defined by the Australian Bureau of Statistics and Australian tax Office. The European Union defines SMEs as enterprises with less than 250 people and an annual turnover under 50 million of Euros (\$58,132,750) or with an annual balance sheet which does not exceed 43 million Euros (\$49,994,165). In the United Kingdom, businesses are classified according to number of employees; micro: 0-9, small businesses: 0-49, medium sized businesses: 50-249 and large businesses: 250 and above (Nwanyanwu, Ogboru and Inua, 2009).

Concept of Development

The concept of development has been variously defined; Obisi (1996) opines “development is a long-term educational process utilizing a systematic and organized route by which managerial personnel learn conceptual and theoretical knowledge for general purpose”. Banjoko (2002) views development as “the course of helping managerial employees who perform non-routine jobs to improve their administrative, organizational, and executive abilities and competence”. Due to its ability to facilitate market adjustments (eliminating market disequilibria) by spotting

opportunities for profitable arbitrage, Kizner (1973) recognizes the need of entrepreneurship through SMEs in developing countries. Kanbur (1979) dwells on the risk-taking dimension of SMEs, and its impact on economic development of emerging countries, which are usually characterized by high risk and uncertainty. Accordingly, Wiggins (1995) hypothesized the predominance of small firms in developing countries as an indication of economy-wide ambiguity, with low likelihood of success. Nelson and Pack (1999) outlined the role of SMEs in absorbing a rapid expansion of skilled labor thus leading to increased returns to physical and human capital. However, theoretical and empirical evidences have not been able to strongly accept the hypothesis that SMEs are a major source of economic development and growth.

Leveraging on three “grand” ideas in development economics according to Naude (2013):

- i. Development requires a structural information of what, how and where production and consumption takes place: following the law of production of goods and services where low-value added, low productivity and rural based activities are transformed to higher value added activities in services and manufacturing located in cities.
- ii. Development is a multi-dimensional concept that requires more than just the eradication of income poverty, and
- iii. Market failures are prevalent and the state has an important coordinating and regulatory role to play in development. Some analysts have argued that a lot of assumed strategic advantages of tiny corporations are also “myth” instead of “reality”.

Micro Small and Medium Enterprises (MSMEs) have been defined by different scholars and authors, based on the purpose, objective and use (Omolara, 2012). But there is no uniform or universally accepted definition of MSMEs (Investment Climate Assessment (ICA), 2009) due to a variety of models and set of indicators (like annual sales, total assets, registered capital and labour, and total credit facilities) used in classifying small and medium enterprises. However, the most common indicator in differentiating companies is the number of employees, due to its measurability and relevance. A review of the literature on Micro, Small and Medium Enterprises (MSMEs) shows that the definition of MSMEs significantly varies from country to country depending on factors such as the country’s state of economic development, the strength of the industrial and business sectors, the size of MSMEs and the particular problems experienced by MSMEs (Harabi, 2003). In Nigeria, parameters such as asset base (excluding land), the number of workers employed and the annual turnover are used for the classification of MSMEs. Thus, Small and Medium Enterprise (MSMEs) refers to “any enterprise with a maximum asset base of N200 million excluding land and working Capital and with the number of staff employed not less than 10 or more than 300”. This is invariably the definition adopted in the implementation of the Small and Medium Industries and Equity Investment Scheme (SMIEIS) launched in August 2001 (Sanusi, 2003).

Poverty has to do with absence of resources to command means of livelihood. Over time, there has been no agreed definition of poverty due to its multi-dimensional nature. By using the standard of living as a criterion for poverty, World Bank (1990), Central Bank of Nigeria (1999), Ifamose (2001) and Magaji (2002) all see poverty as a condition in which resources of

individuals or families are grossly inadequate to provide a socially acceptable standard/condition of living. Edoh (2003), states that there are two issues that have been consistent in an attempt to define poverty. These are the issues of who are the poor and at what level? Central to the problem of poverty, according to (Vandenberg, 2006) is the unavailability of employment. The description of Nigeria as a paradox by the World Bank (1996) has continued to be confirmed by events and official statistics in the country. This assertion implies that the poverty level in Nigeria contradicts the country's numerous resources. Among other things, the country is enormously endowed with human, agricultural, petroleum, gas, and large untapped solid mineral resources. More worrisome is that the country earned over US\$300 billion from petroleum In the 1980s, the Nigeria level of poverty was just 27.2 per cent and was then a better place to survive compared with some countries in the same region and others in other continents. It has been proved that the country is presently one of the extremely poor countries in the world considering the level of development (World Bank, 2014).

SMEs Operations in Nigeria

Given the consensus that SMEs which globally are regarded as the strategic and essential fulcrum for any nation's economic development and growth, they have performed rather poorly in Nigeria. The reason for this all-important sector's dismal performance have been varied and convoluted depending on who is commenting or whose view is being sought. For sure it has nothing to do with government's appreciation of the vital central role of the sector as evidenced by how well SMEs have been acknowledged and orchestrated in various government's budget, with the imperativeness of SMEs as the bulwark for employment generation, poverty reduction and technological development being highlighted.

While many attribute the relatively poor performance of SMEs in Nigeria when compared with the significant roles which SMEs have played in developed economies, such as, the United Kingdom, Germany and the United States and even some developing countries of the world like India to the challenges outlined above, some others hinge the reasons on the fair share of neglect on the sector by the government. The latter group argues that government's appreciation of the SMEs in capacity building has always been restricted to the pages of the budget presentations and submissions at various fora.

Despite the abysmal performance of the SMEs in the country, the Federal Government belief in their capacity revamp and drive the economy to prosperity necessitated the establishment of SMEDAN. The mandate of SMEDAN as contains in the ACT establishing include the following:

- Stimulating, monitoring and coordinating the development of the MSMEs subsector;
- Initiating and articulating policy ideas for small and medium enterprises growth and development; and
- Promoting and facilitating development programmes, instruments and support services to accelerate the development and modernization of MSMEs operations.

With the above mandate, SMEDAN has enormous responsibility to articulate, enunciate and implement policies and programmes to promote, boost and sustain SMEs in the country.

Before the inauguration of SMEDAN the Nigeria level of poverty was just 27.2 per cent and it was then a better place to survive compared with some countries in the same region and others in other continents. It has been proved that the country is presently one of the extremely poor countries in the world considering the level of development (World Bank, 2014).

To realize the above objectives of SMEDAN, the then Hon Minister of Trade and Industry, Mr Olusegun Aganga, inaugurated the National Enterprise Development Programme, [NEDEP], which was designed to generate 5 million direct and indirect jobs between 2013 and 2015. NEDEP is focusing on skills acquisition, entrepreneurship training/business development service [BDS] and access to finance. This means that the programme is expected to generate 2.5million jobs annually.

The entrepreneurship training/business development component is being implemented under the one local government one product [OLOP] platform, while the access to finance component is being handled by the Bank of Industry [BOI] and the Skills acquisition by the Industrial Training Fund [ITF].

NEDEP is a national development programme designed to be implemented throughout the federation. Nasarawa state is one of the 36 states in the country where the programme is being implemented. It is, therefore, very imperative to x-ray the role of SMEDAN in boosting and sustaining SMEs in that state for over six years now.

Challenges of Small and Medium Enterprises in Nigeria

Although SME sector is favored on the point of view that SMEs to stimulate economic growth, however, market imperfections and institutional failures hamper their growth. Amongst these market imperfections and institutional failures in Nigeria are inconsistent government policies (Political uncertainty, Inconsistent tax policy), poor management strategic skills, lack of credible credit information, credit quality and institution; dearth and paucity of credible and reliable database; poor infrastructures (roads, electricity, energy, communication, manufacturing environment), dwindling economic environment (venture capital, fluctuating value of the naira, financing), low quality production inputs arising as a result of the quality and availability of raw materials) and bottleneck bureaucracy (Onibokun and Kumuyi, 1996; Ubom, 2006). The present socio-economic development challenges confronting Nigeria is exacerbated by the changing demographic profile of the country. The number of unemployed is on the increase, of which the proportion of the educated youth will also continue to rise.

A number of empirical studies were conducted in an attempt to evaluate the challenges and prospects of small and medium enterprises in Nigeria, Osotimehin, Charles, Babatunde, and Olajide (2012) used non-parametric simple percentages and Z-test statistical technique for sample of 100 SMEs randomly selected from 10 local governments of Lagos state south Western Nigeria to examine the challenges and prospects of micro and small scale enterprises. The findings showed that lack of finance and management skills affects the efficient performance of SMEs in Nigeria. Therefore, the authors recommend that both government and non-

governmental organization should always organize seminars and educate them on how to plan, organize, direct as well as control their business. Similarly, Oluchukwu (2012) used simple percentage and chi-square for the sample of 150 questionnaires, out of which 120 were retrieved and analyzed to investigate the impact of small and medium enterprises in employment generation for Lagos state Nigeria. Findings from the study revealed that SMEs promotes sustainable development in Lagos state. Thus, the study recommend that government should encourage the youth to develop entrepreneurial skills so as to be self employed.

Furthermore, Kadiri (2012) used binomial logistic regression for the sample of 650 SMEs consisting of 180 agro-allied and 470 non-agro allied SMEs in Nigeria to examine the contribution of SMEs in employment generation. The author revealed that SMEs were unable to generate much employment because of their in ability to secure adequate finances. Also, the study revealed that most of the SMEs sampled relied on informal sources of finance to start their business. However, in an attempt to determine the level of loan delinquency among small and medium enterprises in Ondo state Nigeria, Obamuyi (2007) used descriptive statistic on 9 commercial banks and 115 SMEs from selected local governments in Ondo state. The results showed various factors responsible for not expanding SMEs loan portfolio with poor credit worthiness, lack of collateral security and constraints based on regulation topping the list. The study also showed that loans delinquency rate was low at 6.90% of total loan obligations among SMEs in Ondo state Nigeria.

Another study by Taiwo, Ayodeji, & Yusuf (2012) examined the role of Small and Medium Enterprises (SMEs) as a veritable tool in economic growth and development of Ogun State South-Western Nigeria. The authors randomly selected 200 SMEs from five local governments and analyzed using both descriptive and inferential statistics in the form of simple percentages and Spearman correlation coefficient, respectively. The results showed that lack of financial support, poor management, corruption, lack of training and experience, poor infrastructure, insufficient profit and low patronage served as the most common constraints to the growth and development of SMEs in Nigeria.

Sokoto and Abdullahi (2013) examined the role of Small and Medium Enterprises (SMEs) in poverty reduction in North-Western Nigeria. The authors sampled 400 SMEs in both Sokoto and Zamfara and analyzed using the student T-test. Empirical findings from the study revealed that employment generated by the SMEs is small when compared with the large enterprises. The findings of this study contradict the apriori expectation that SMEs contribute more to employment generation than large enterprises.

Oduyoye, Adebola, and Binuyo (2013) applied both inferential and descriptive statistics for 140 respondents classified into 27 executive and 180 non executive (SMEs owners) to investigate the critical role of SMEDAN in Ogun state Nigeria from the period 2005-2010. The authors conclude that SMEDAN performed below expectation in linking SMEs with cheaper sources of finance.

The researchers used a survey design to assess the contributions of selected small and medium scale enterprises on development in Keffi local government, Nasarawa State. The population of the study consists of 210 small and medium scale businesses in Keffi. Although, the figure above excludes those that have stopped functioning due to either management problem or lack of capital.

A probability sampling technique in the form of purposeful random sampling was adopted, this is because the population is homogeneous and thus the goal is credibility; and ability to generalize. The study employed the use of a well-structured questionnaire to gather information from the study respondents.

Data Presentation and Analysis

A survey of 130 SMEs were randomly selected from Keffi, Lafia and Nasarawa local governments of Nasarawa State, and a copy of structured questionnaire on the operations of SMEs was administered on them. The data were collected and analyzed as presented below.

Socio-Demographic Analysis of Respondents

Table 1: Gender distribution of respondents

Variables	No. of Respondents	% of Respondents
Male	80	61.5
Female	50	38.5
Total	130	100

Source: Fieldwork 2019

Table 1 depicted the gender distribution of the respondents. From the table it can be seen that 80 [61.5%] of the respondents were male, whereas only 50(38.5%) respondents were female. This implies that the respondents were made up of more men than women in the study area.

Table 2: Age Distribution of Respondents

Variables	No. of Respondents	% of Respondents
Below 30 years	30	23.1
31-40	75	57.7
41 and above	25	19.2
Total	130	100

Source: Fieldwork, 2019

Table 2 demonstrated the ranges of age distribution of the owners/managers of the businesses under study. It shows that 30(23.1%) of the respondents out of the total sampled (which is 130 respondents) were less than 30years of age, 75(57.7%) had an age that ranges from 31 – 40years and only 25(19.2%) had an age that is above 36years. The implication is that high number of youth participates in small and medium scale businesses in Nasarawa State.

Table 3: Forms of Businesses of the Respondents

Variables	No. of Respondents	% of Respondents
Company	65	50
Partnership	10	7.7
Sole proprietorship	55	42.3
Total	130	100

Source: Fieldwork, 2019

Table 3 elicits information about the forms of businesses of the sampled organizations or firms in Nasarawa. The distribution of respondents by the ownership structure or business forms shows that 65(50%) of the enterprises are engaged in Company business. In like manner, 10(7.7%) of the businesses were partnership while 55(42.3%) of the respondents were sole proprietorship businesses. This implies that major forms of businesses in small and medium scale are company and sole proprietorship owned businesses.

Question 1: what is/are the contributions of SMEDAN in developing your business in Nasarawa State?

Responding to the above question on the contributions of SMEDAN in developing small and medium scale businesses in Nasarawa, 40(30.8%) respondents opined that SMEDAN has helped in creating jobs for unemployed youths and women. On the other hand, 60(46.2%) respondents are of the view that it has helped in increasing the income level of the business owners; whereas 30(23.1%) contend that SMEDAN has helped to reduce poverty level. One central idea in the respondents is that SMEDAN has helped one way or the other. The responses are presented in table 4 below

Table 4: Responses on the contributions of SMEDAN in developing small scale businesses in Nasarawa State

Variables	No. of Respondents	% of Respondents
Help in creating jobs for unemployed youths/women	40	30.8
Help in increasing income level of people involved in the business	60	46.2
Has help to reduced poverty level	30	23.1
Total	130	100

Source: Fieldwork, 2019

Question 2: What is the reason for your answer in question 1?

In responding to the above question, 60(46.2%) respondents attribute their answer to the fact they now live a fair life; while 70(53.8%) say they are no longer fully dependent. The responses are presented in table 5 below.

Table 5: Responses on Reason for the answer in question 1

Variables	No. of Respondents	% of Respondents
I now live a fair life	60	46.2
I am not fully dependent again	70	53.8
Total	130	100

Source: Fieldwork, 2019

Question 3: Do you think that SMEDAN is doing enough to really develop small and medium scale businesses?

Responding to question 3, the whole respondents are of the view that Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) is not doing enough to develop small and medium scale businesses. This is depicted in table 6 below.

Table 6: Responses on whether SMEDAN is doing enough to develop small and medium scale businesses

Variables	No. of Respondents	% of Respondents
Yes	-	-
No	130	100
Total	130	100

Source: Fieldwork, 2019

Question 4: Do you think SMEDAN is well funded by the government?

In responding to the question on whether SMEDAN is well funded by the government, 15(11.5%) respondents opined that SMEDAN is well funded; but on the other hand, 115(88.5%) have contrary opinion. Table 7 demonstrates these responses.

Table 7: Responses on whether SMEDAN is well funded by the government

Variables	No. of Respondents	% of Respondents
Yes	15	11.5
No	115	88.5
Total	130	100

Source: Fieldwork, 2019

Question 5: What are the challenges of small and medium scale businesses in Keffi?

In responding to question 4, 45(34.6%) respondents opined that the challenges of small and medium scale businesses in Nasarawa are in the area of lack of training centres for business men and women; in like manner, 55(42.3%) respondents say the challenges are attributed to the nature of loan; whereas 30(23.1%) attribute it to lack of enabling environment. The responses are presented in table 8 below.

Table 8: Responses on the challenges of small and medium scale businesses in Keffi

Variables	No. of Respondents	% of Respondents
Create training centres for business men/women	45	34.6
Provide soft loan	55	42.3
Create an enabling environment	30	23.1
Total	130	100

Source: Fieldwork, 2019

Question 6: How can SMEDAN really help in developing small and medium scale businesses?

In responding to the above question, 45(34.6%) are of the opinion that is through the establishment of Business Support Centres (BSCs) to provide training, mentoring, management and technical advisory and counseling. On the other hand, 30(23.1%) respondents opined that it is through the provision of enabling environment; whereas 55(42.3%) respondents are of the view that it is through the provision of soft loan to business owners. The responses are presented in table 9 below.

Table 9: Responses on how small and medium scale businesses can be helped

Variables	No. of Respondents	% of Respondents
Establish business support centres (BSCs) to provide training, mentoring, management and technical advisory and counseling.	45	34.6
Provide enabling environment	30	23.1
Provide soft loan	55	42.3
Total	130	100

Source: Fieldwork, 2019



Summary

Generally, the fortunes of SMEs have not fundamentally improved as envisioned by the SMEDAN. The unemployment rate is still on the increase, as the wealth creation has remained a far cry. Funding has remained a fundamental problem among the SMEs, while rural poverty has been aggravated. Rural poverty has been on increase, thus aggravating rural urban migration.

The findings seem not to be similar with the experiences of many economies, such as, India, Malaysia, Japan and Taiwan among others that have been transformed through this vital sector of the economy. They were able to transform their economies because of the priority given to it. For Nigeria to experience economic growth, the development of the small and medium scale sector should and must form one of the country's development objectives. These are training grounds for local skills and entrepreneurs, and could become channels for mobilizing local savings and ensuring a more equitable distribution of income and reduction of rural-urban migration.

Conclusion

In conclusion, we see that SMEDAN has not been able to effectively perform some of its functions because of certain challenges confronting the agency. The agency's funding is inadequate, the trained entrepreneurs are unable to access finance to start or expand their operations. The provision of entrepreneurial education is not an end in itself but a means to an end. Finance is needed for them to expand and employ other people.

If there is going to be economic growth, poverty reduction and wealth creation in the Nigerian economy, the small and medium scale sector must and should be given utmost priority. SMEDAN should be given all the support it needs and also monitored regularly to ensure that it is performing the functions it was established to perform so as to ensure the strengthening of the small and medium scale sector in Nigeria.

Recommendations

As an organisation, SMEDAN is very much pivotal and important as the coordinating body for the small and medium scale businesses in Nigeria. In line with the importance and relevance of SMEDAN, it is recommended that:

- 1) SMEDAN should keep organizing the development programmes from time to time and also reach out to others who are yet to benefit from such trainings. Also, SMEDAN should go beyond training programmes, advisory services, it should also engage in technological development and transfer through liaising with research intuitions to develop technology and transfer it to the entrepreneurs.
- 2) State governments should come in to assist in the area of work space. The state governments should make available land areas which should be developed, and given to different clusters. The entrepreneurs could then be asked to make gradual payment back to the government.



- 3) The government should step-in to assist SMEDAN in order to facilitate entrepreneurs access to finance. This means something has to be done about the conditionalities of the Bank of Industry and other financial institutions. Finance is necessary to enable the entrepreneurs transfer the knowledge they received through training into practice.
- 4) The Nigerian government should give SMEDAN adequate funds to enable it function effectively. The agency's activities have a high fieldwork, a lot of finance is required to efficiently and effectively perform its functions.

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