



Business Administration and Business Economics

Small and Medium Scale Enterprises and Economic Performance in Nigeria: A Case of Chicken Republic Fast Food in Ekiti State

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Abstract: The study examined the contributions of the SMEs to the Nigerian economic performance through the food and beverage industry and using the Chicken Republic eateries in Ekiti State, Nigeria as a case study. The study used a survey method by collecting primary data from the target respondents through structured questionnaire. The results were analyzed using both descriptive and inferential statistics. The results indicate that SMEs contribute to the Nigeria economic performance via employment and job creation, income and output/services provision, promotion of innovation and entrepreneurship, infrastructural and community development, contribution to macroeconomic policy. The findings for the analysis indicate that employment and job creation, income and output generation, promotion of innovation and entrepreneurship are the main areas where SMEs contribute to the economic performance of Nigeria. It was discovered from the results that SMEs are not included as they should be in macroeconomic policy of the government. In addition, it was also found out that the provision of infrastructure and community developments are to be left for the government and not the SMEs.

Keywords: SMEs; Economic Performance; Contributions

JEL Classifications M 20; M 21; M 29

1. Introduction

The OECD (2014) sums up the benefits of SMEs to a country under five headings namely; creation of employment and job, improvement in innovation, entrepreneurial skills and technological advancement, productivity and income generation, contributions to macroeconomic policy formulation, improvement in infrastructure and general community development. It is believed that as the economic performance of a country improves by rise in the GDP due to the gains from SMEs, it is expected that it trickles down to other sectors of the economy by

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ways of greater utilization of local raw materials, employment generation, encouragement of rural development, development of entrepreneurship, mobilization of local savings, linkages with bigger industries, provision of regional balance by spreading investments more evenly, provision of avenue for self-employment and provision of opportunity for training managers and semi-skilled workers.

In other words, a symbiosis relationship is expected between SMEs contributions and economic performance. Unfortunately, the reverse is the case. The country citizens continues to record a dwindling economic situation, low levels of purchasing power, inability to access capital for business expansion and low level of standard of living, increase in unemployment and underemployment, and low level of absorption capacity of the informal sector enterprise. In spite of the fact that SMEs have been regarded as the backbone of most economy for employment generation and technological development, its impact on Nigeria economic growth and development has been low, thus warranting an empirical probing to various SMEs drivers and inhibitors that impact on the growth in Nigeria. In recent time, however, economic growth and development and their drivers have been examined by researchers from various standpoint and with varying literary perspectives.

The impact of Small and Medium Enterprises on the growth and development have also been investigated (Eze and Okpala, 2015; Muritala *et al.*, 2012; Offor, 2012; Opafunso and Adepoju, 2014). For example, Offor (2012) carried out similar but they regress only Small Scale Industries Output and real interest rate on GDP. Eze and Okpala (2015) included Output of Small and Medium Scale Enterprises, Bank Credit to SMEs, Inflation rate, Interest rate, and Government Expenditure among others.

This study is important and it fills a gap by extending models of previous researchers to capture the standard measurement of performance of SMEs across the globe as provided by the OECD (2016). These five measures are used in this study to assess the impacts of the SMEs on the Nigeria economic performance. Again many of the previous studies used secondary data analysis which might be too broad and generalized. This study uses primary data by focusing on Chicken Republic Eateries under the food and beverage industry which is a prominent consumer goods sector in Nigeria. Consequently, the broad objective of this research work is to investigate the impacts of SMEs on the economic performance of Nigeria. The rest of the paper is divided into the literature review, methodology, results and discussion, conclusions.

2. Literature Review

Evbuomwan, Ikpefan, & Okoye (2016), profiled the structure of MSMEs in Nigeria, examined their firm characteristics, financing and operations and constraints with a view to proffering suggestions on how to use MSMEs as a strategy for economic development in Nigeria in the face of the current economic downturn. Results of the survey conducted indicated that MSMEs dominate Nigeria's economic landscape as 53.5 per cent of the respondents were in the micro-enterprise category, 29.6 per cent in the small-scale category, 14.1 per cent in the medium-enterprise category and only 2.8 per cent in the large scale category. Capacity utilization rate was highest for MSMEs in the agriculture/agro-processing sector at 70.2 per-cent compared with 55.4 per cent for those in the manufacturing sector. Inadequate fund/working capital was the most mentioned problem by the MSMEs. In both developed and developing economies, there are evidences of the immense contributions of MSMEs to economic growth and development. Small enterprises are known to adapt with greater ease under difficult and changing circumstances because they are typically low in capital intensity and allow product lines and inputs to be changed at relatively low cost. With the collapse of the world oil market and the ensuing economic downturn in Nigeria, refocusing attention on the MSMEs will help reduce unemployment, create wealth and alleviate poverty. They recommended that credit programs that will take cognizance of the peculiarities of MSMEs in Nigeria be intensified so as to increase their access to funds in view of their dominance and potential contribution to the growth of the economy.

Onugu, (2005), undertook a study on Small and Medium Scale Enterprises (SMEs) in Nigeria: Problems and Prospects, in order to find out if the SME sub-sector in Nigeria has performed its critical role of driving the country's industrial transformation and development as it has done in other developed countries; and if not, why, and also to identify remedial measures. A total of 300 SMEs were randomly selected from a cross section of a population of 1,500 SMEs spread among all the states of Nigeria including Abuja and covering virtually all forms (Sole Proprietorship, Partnership, Private and Public Limited Companies etc) of business took part in the study. The main hypotheses of the research were tested at 0.05 level of significance using chi-square statistics hinged on identifying the greatest problem which SMEs face in Nigeria, the identification and ranking of the top ten problems or challenges of SMEs in Nigeria and the relationship between the form and nature of the business enterprise and its sources of funding for its operations. The major findings of the study are: SMEs have played and continue to play significant roles in the growth, development and industrialization of many economies the world over. In the case of Nigeria, SMEs have performed below expectation due to a combination of problems which ranges from attitude and habits of SMEs themselves through environmental related factors, instability of governments and frequent government policy changes and somersaults. He further recommended the

introduction of entrepreneurial studies in Universities, availability or possession of managerial capacity and acumen before pursuing financial resources for the development of the respective enterprise.

Ogbuanu, Kabuoh, and Okwu, (2014). Assessed the relevance of Small and Medium Enterprises in the growth of the Nigerian economy. The Manufacturing sector was used as a case study. The study employed a time series research design and descriptive method of analysis to investigate the relevance of the manufacturing SMEs in growth of the Nigerian economy. Data were extracted from relevant publications of the Central Bank of Nigeria (CBN) and National Bureau of Statistics (NBS). Questions on the relevance of SMEs in economic growth were addressed from working propositions of no significant relevance. Results showed that the manufacturing SMEs made sizable contributions to the sustained increases in gross domestic product, sustained more than 7% share in employment for greater part of the 2002-2012 period and maintained increasing shares in GDP. However, contributions to export commodities fluctuated with lowest levels experienced between 2008 and 2010. They concluded that the manufacturing SMEs are capable of creating jobs and increasing employment and, thus, reducing the rate of unemployment in Nigeria. Consequently, they recommended that, among other things, the SMEs should strengthen their capacities, especially within their internal environments, and take advantages of the opportunities in the external environment to enhance their potentials to contribute to employment, domestic product and export commodities.

Eze, and Okpala, (2015), carried out a quantitative analysis of the impact of small and medium scale enterprises on the Growth of the Nigerian Economy for the sample period 1993 to 2011. The econometric technique adopted for the study was multiple regression method based on ordinary least squares technique. However, in order to avoid the incidence of spurious estimates, evidence from the ADF test conducted revealed that the variables are integrated of order two. The Johansen test conducted showed evidence of long run equilibrium relationship between small and medium scale enterprises and economic growth. However, in the meantime, output of SMEs (SMEO) does not make any significant contribution to Nigeria's economic growth performance. The study concludes that poor government policies, on tariffs and incentives, bribery and corruption, non-existent entrepreneurial development centers and poor state of infrastructure act as impediments to the growth and development of SMEs in Nigeria. The recommendations are that governments at all levels should endeavor to establish Microfinance institutions for easy access to credit by SMEs, introduce financial literacy in schools, establish entrepreneurial development centers for capacity building, provide enough infrastructure, especially electricity and road network, and finally establish agencies for control of bribery and corruption.

Ilegbinosa, and Jumbo (2015) empirically examined Small and Medium Scale Enterprises and Nigeria's economic growth from 1970 – 2012. The main objective of the study was to examine the impact of SMEs on economic growth in Nigeria. In order to achieve this objective, the study polled 84 SMEs for primary data collection as well as statistical records for years 1975-2012 as secondary data. The ordinary least square, co-integration and error correction model was used to estimate the data collected during the period of this study. The variables used include Gross Domestic Product as the dependent variable and Finance Available to Small and Medium Enterprises, Interest rate and Inflation rate as the independent variables. The result revealed that Finance Available to SMEs showed a positive relationship with economic growth while Interest rate and Inflation rate showed a negative and positive influence on economic growth respectively. This made them conclude that the independent variables play an important role in determining the impact of Small and Medium Scale Enterprises on economic growth in Nigeria. Based on this, it was recommended that the Nigerian Government should organize a national enterprise forum, which would focus on the contributions of SMEs in national development objectives; the Federal/State Ministries of Industry in collaboration with the National Association of SMEs should work out strategies for an annual report of SMEs operating in Nigeria and the Government should adopt policy measures to maintain a favorably low commercial banking lending rate as this will accelerate high investment in Small, Medium and large-scale businesses and subsequently in the long-run contribute significantly to economic growth.

Afolabi (2015) discussed the evolution and current development of principles and practice of entrepreneurship in Nigeria. He also examined the effect of entrepreneurship in fostering economic growth and development. The methodology adopted was the narrative-textual case study (NTCS) method. However, interviews were also conducted. He further used simple percentages, graph and chart in analyzing and interpreting the collated secondary data. Findings of the study showed that Nigeria's economy has continued to grow over the last decade- with the real GDP growth rate hovering around 7%. It was also found that entrepreneurship can enhance economic growth and development primarily by generating employment and foster the growth of micro, small and medium enterprises in Nigeria. He further recommend that there should be proper policy coordination and policy stability; reforms in the educational curriculum to prepare students for self-reliance; and fixing the power sector-Nigeria's basic infrastructure. Using the descriptive research method, Adoyi and Agbo (2009) employed both primary and secondary data to determine the extent to which small business firms have developed Benue state of Nigeria, and found that 86.3% of the small business firms pay their taxes regularly. These taxes increase the revenue base of the state which is used for development purposes.

3. Methodology

Research design

This study is an exploratory one that uses survey method to collect information from the target respondents via structured questionnaires and quantitative method of analysis is adopted. The research philosophy or paradigm for this study revolves around both positivism and epistemology. Positivism is a research philosophy that believes that research operates with objectivity in the execution of their research work. In other words there are no predetermined outcomes expected by the researcher. Epistemology is a research paradigm that studies the nature of knowledge and the process through which knowledge is acquired and validated (Cazeaux, 2017). Consequently, this study has no predetermined idea of how SMEs impact on economic performance. This objective will only be achieved when the research is conducted (Rahi, 2017).

Population of the study

The population of the study includes all the 62 staff of the Chicken Republic in Ekiti State branch. The Chicken Republic is an organization which is subsidiary of Food Concept PLC. The focus of this study is on the branch of the company in Ekiti State

Sampling technique and Sample size determination

A simple random sampling technique is embraced by the study using the Taro Yamane method to select the sample size for the numbers of SMEs the study covers in the survey. The calculation is as follows;

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

Where n is the sample size, N is the population, e is the error margin usually 0.05 is used.

In getting the sample for the numbers of SMEs to be included in the survey, N is 62 which is the total population of the staff in Chicken Republic, Ekiti State Using the formula

$$n = \frac{62}{(1+62(0.05)^2)} \quad (2)$$

$$n = \frac{62}{(1+0.3125)} \quad (3)$$

$$n = 54.238 \quad (4)$$

Therefore, the minimum SMEs that are covered in the survey is approximately 54.

Method of Data Collection

This aspect explains the procedures embraced by the study to collect data for the analysis in the study. Basically the nature of the data needed for the study is primary and questionnaire is used to collect relevant information from the respondents

Research Instrument and Scoring

The questionnaire is divided into three sections. Section A contains questions on socio-demographic characteristics or the bio-data of the respondents. These include gender, age, years of operation, number of employees and highest qualification. Section B contains questions on various areas where the role of SMEs are measured. In other words, section B includes questions on OECD identified indicators of contributions of SMEs to economic performance. Apart from Section A, other sections have close-ended questions on variable by variable using a five-point Likert rating scale ranging from Strongly Agree (5), Agree (4), Neutral (3), Disagree (2) to Strongly Disagree (1). Each respondent is asked to indicate his or her level of agreement with the statements relating to the variables.

Validity and Reliability Tests

Bryman and Bell (2011) defined validity as the fact that “a measure of a concept really measures concept”. Validity attests to whether an instrument measures what it is supposed to and justified by the evidence. Essentially, it entails the extent to which an instrument actually measures the aspects that it was intended to measure. Validity test of Kaiser-Meyer Olkin (KMO) value of 70 percent and Bartlett test of Sphericity with p-value less than 0.05 are applied. Reliability is the consistency of a measure of a concept (Bryman & Bell, 2011). It is linked to the stability of the data. Asika (1991) explains that reliability of research instrument concerns the extent to which the instrument yields the same results on repeated trials. The Chronbach alpha test is applied and any question with less than 0.7 reliability index will have to be reconstructed or replaced. The results are presented in table 1

Table 1. Validity and Reliability Test

Variable	Number of Questions	Reliability test Cronbach value	Validity test KMO value
Bio Data	6	0.78	0.702
Employment and Job creation	4	0.71	0.73
Macroeconomic policy	4	0.76	0.72
Productivity and income generation	4	0.83	0.77
Infrastructure and community development	3	0.82	0.71
Innovation, Entrepreneurship and Technology Development	3	0.75	0.78
Economic Performance	3	0.79	0.72

Source: Output of Author's Data Analysis (2020)

Table 1 shows that all the instruments yielded Cronbach alpha values that is above 0.7. The implication of this is that they all passed the reliability test. In the same vein, the KMO test produced values that are all beyond 0.7 for all the instruments. This implies that all of them as well passed the validity test. The general implication is that all the instruments used are suitable for the survey.

Method of data analysis

This aspect of the paper discusses the techniques of analysis adopted in the study. However, the model to be estimated is first discussed

Model Specifications

From the literature and the theoretical framework, especially the Knowledge based theory of Penrose (1959), it is clear that SMEs contribution is the independent variable while Economic performance is the dependent variable. Based on the foregoing, the model that expresses the relationship between the two is specified as follows:

$$ECOP = f(SMEs) \quad (5)$$

Where, SMEs is the contributions of SMEs while ECOP represents the economic performance of Nigeria. More explicitly the model can be expressed thus;

$$ECOP = \theta_0 + \theta_1 EJC + \theta_2 PIJ + \theta_3 MP + \theta_4 INTECH + \theta_5 INFCD + ui \quad (6)$$

Where,;

EJC is Employment and Job creation,

PIJ is productivity and income generation,

MP is macroeconomic policy,

INTECH is innovation. Entrepreneurship and Technology Development

INFCD is infrastructure and community development.

ECOP which is economic performance.

ui is the stochastic variable or the error term.

Estimating techniques and data analysis

Data analysis tools for this study are broadly divided into two categories namely descriptive and inferential statistics.

Descriptive statistics

The descriptive statistics include the usage of the frequency distribution tables and charts to present data harvested from the survey. Percentages and ratio tables are also used where relevant during the analysis.

Inferential statistics

Inferential statistics such as; multiple linear regression, Pearson Product-moment correlation analysis and Analysis of Variance ANOVA are applied with the aid of statistical package for social science (SPSS) version 24.0. The use of Pearson Product-moment correlation analysis is necessitated because it helps to determine the degree or level of relationship or association that exists between variables. Also, it allowed the researcher to examine and explain the association between the independent and dependent variables (Johnson, 2010). Multiple linear regression is also used because it provides useful link between variables for further investigation and there is no provision for manipulation of behaviour. Also, the ANOVA is used because, it helps to examine and know which variable accounts for the most significant change in the dependent variable (Molliegeorgious, 2015).

4. Results and Discussion

Presentation of Bio-data

The presentation of data covers both the bio data and the demographic presentation for the respondents who are the staff of Chicken Republic company.

Table 2. Gender Distribution of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	33	61.1	61.1	61.1
	Male	21	38.9	38.9	100.0
	Total	54	100.0	100.0	

Source: Output of Author's Data Analysis (2020)

The need to gender unbiased has been emphasised in many empirical studies in the past and more often gender distribution usually favour men more than women. The result from the analysis on table 2 is an indication that more women are included in the survey than men. Women are about 61% while men are about 39% of the total population covered in the survey. Again, it further shows that more women attended to our questionnaires more than men.

Table 3. Year (s) in the Company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	5.6	5.6	5.6
	1-5years	25	46.3	46.3	51.9
	6-10years	12	22.2	22.2	74.1
	11-15years	5	9.3	9.3	83.3
	16 or more years	9	16.7	16.7	100.0
	Total	54	100.0	100.0	

Source: Output of Author's Data Analysis (2020)

The analysis on table 3 shows that the respondents included in the survey are relatively experienced going by the numbers of years they have spent in the organisation. The result shows that about 70% of them have spent between 5 to 15 years in their respective department. This gives them the ample opportunity of knowing what is going on the company and thus aid their ability to contribute meaningfully to the research output. It can also be observed from the study that about 10% have even spent more than 16 years which almost equivalent to the year of inception of the company. This has added to the tendency of getting reliable information from the respondents as they are pool of experienced personnel in the organisation.

Table 4. Status in the Organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Branch Manager	4	7.4	7.4	100.0
	Supervisor	4	7.4	7.4	40.7
	Chefs	21	38.9	38.9	79.6
	Sales Attendants	7	13.0	13.0	92.6
	Cleaners/others	18	33.3	33.3	33.3
	Total	54	100.0	100.0	

Source: Output of Author's Data Analysis (2020)

The results on table 4 show that all the respondents are core staff of the company performing different roles in their respective departments. This is an important feature needed for the analysis in this study. About 15 % of the respondents are within the status of managerial or supervisory role the largest percentage of the staff of about 39% are Chefs. The sales attendants are 13% while other staff which include the cleaners, drivers, storekeepers, securities among others are about 33% of the entire staff.

Table 5. Highest Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Pre secondary	8	14.8	14.8	14.8
	School Cert	22	40.7	40.7	55.6
	OND/NCE or equivalent	16	29.6	29.6	85.2
	First Degree/Post Graduate	8	14.8	14.8	100.0
	Total	54	100.0	100.0	

Source: Output of Author's Data Analysis (2020)

The pool of respondents included in the survey comprised of educated personnel in the organization. This is evident in result presented on table 5 which indicates that about 85% of the respondents have between First degree and secondary school certificate as their highest qualifications. This shows that the respondents are educationally suitable to understand the questionnaires and provide the required answers to the questions.

Table 6. Age Distribution of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25years	11	21.0	21.9	21.9
	26-35years	33	56.0	58.3	80.2
	36-50years	6	12.0	12.5	92.7
	51 and above	4	7.0	7.3	100.0
	Total	54	54.0	100.0	

Source: Output of Author's Data Analysis (2020)

The age distribution of the entrepreneurs is described in table 6. The result shows that most of the staff interviewed are youths. For instance, the largest percentage is about 58.3% which belongs to age group 26 to 35 years, .very few of the entrepreneurs are adults. Just 7.3% of them are between 51 years and above. It further underscores the importance of the youth in SMEs development in society.

Table 7. Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	43	76.0	79.2	79.2
	Married	11	20.0	20.8	100.0
	Total	54	96.0	100.0	

Source: Output of Author's Data Analysis (2020)

It is obvious from table 7 that most of the SMEs entrepreneurs included in the survey are responsible young adults. About 79.2% are single while 20.8% are married. This distribution imposes some validity on the responses expected from the entrepreneurs.

Analysis of roles of SMEs in economic performance of Nigeria

The respondent were asked to rank what they believe is the main contributions of the SMEs to the country's economic performance on five likert scale, the analysis of their responses are

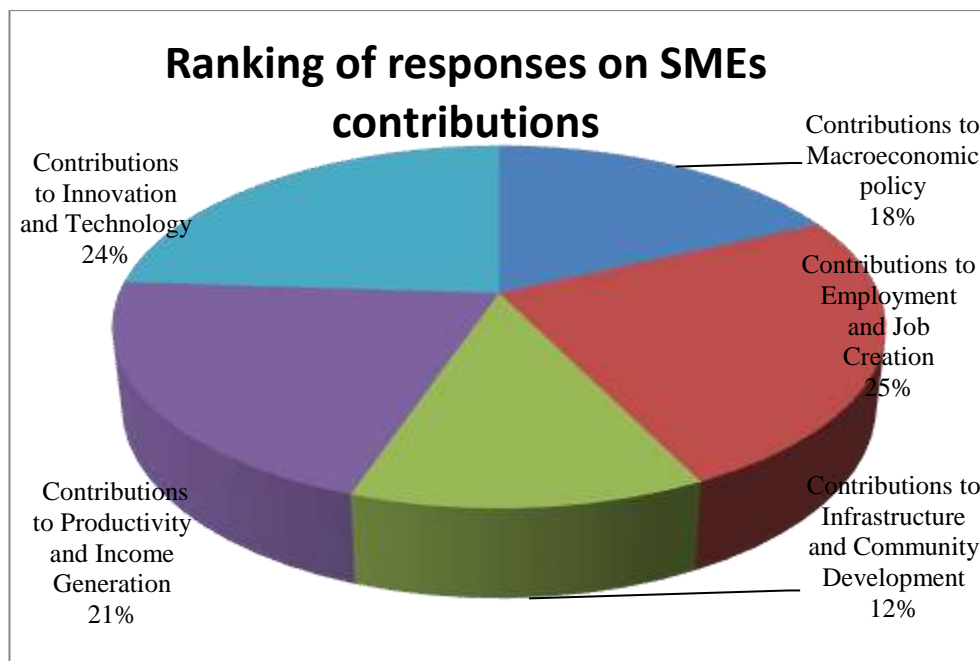


Figure 1. Ranking of Responses on Contributions of SMEs to Economic Performance

Source: Output of Author's Data Analysis (2020)

The ranking of the perceptions of the respondents about the contributions of the SMEs to the economic performance of Nigeria is presented in figure 4.1. The result clearly showed that the respondents believed that employment and job creation role of the SMEs is the most important in economic performance. 25% of the respondents are of the opinion that creation of employment and job opportunities is the major economic performance indicators offered by the SMEs in Nigeria. This is closely followed by contributions to innovativeness and technology. This also closely followed by productivity and income generation both at 24% and 21% respectively. The respondents are of the opinion that the contributions of the SMEs to the economic performance is mainly in the area of good and services provision. The demand and supply chains created by the SMEs through production of goods and services are seen as the major contribution of the SMEs to economic performance.

However, 12% of the respondents feel that just SMEs participate in community and infrastructural development majority of the respondents are against this perception as they believed that it should be the other way round. In that it is the economy that should create an enabling environment through provision of infrastructural facilities for the SMEs to thrive.

Analysis of Impacts of SMEs on Nigeria Economic Performance

This is the main aim of this study. That is to investigate the effect of SMEs on the economic performance of Nigeria. The regression result is presented in table 7

Table 7. Regression Results for the Effects of SMEs on Economic Performance

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.714	1.329		1.251	.060
	Employment and Job Creation	.143**	.015	.239	4.237	.022
	Productivity and Income Generation	.161**	.003	.263	3.570	.043
	Macroeconomic Policy	.089	.095	.159	.930	.357
	Infrastructure and Community Development	-.152	.139	-.243	-1.098	.278
	Innovation and Technology	.414**	.166	.588	2.501	.016
a. Dependent Variable: Economic Performance						

Source: Output of Author's Data Analysis (2020)

The results from the analysis shows the relative impacts of SMEs on Nigeria economic performance, The result shows that out of the five identified ways through which SMEs impact on economic performance, three of them have significant impacts.

The coefficient of employment and job creation from the table is 0.143 and the value is significant at 5%. The implication of the result is that there is a positive relationship between employment and job creation function of the SMEs and the economic performance of the country. The result shows that a unit increase in employment and job creation by the SMEs will lead to about 0,143 rise in the economic performance of the country. The relationship is also significant indicating that creation of employment by the SMEs is very germane to the Nigeria economic performance.

Another variable with significant impact on economic performance is productivity and income generation. The coefficient is 0.161 and it is significant. Firstly, this show that there is a direct relationship between the productivity and income generation function of the SMEs and Nigerian economic performance. Precisely, the result shows that a unit rise in the productivity and income generation function of the SMEs will lead to about 0.161 rise in the economic performance of Nigeria. Again the relationship between the two is also significant.

The third variable with significant relationship with economic performance is innovation and technology development function of the SMEs. The result shows that the coefficient of innovation and technology development is 0.414 and the value is significant at 5% level of significance. Therefore it implies that there is a positive or significant direct relationship between the two. In other words, a unit rise in innovation and technology development function of the SMEs will contribute about 0.414 increase in the economic performance of the country.

On the contrary, two of the variables used as independent variables in the model namely, infrastructural and community development function of the SMEs as well as macroeconomic policy failed to have significant impact on the economic performance of Nigeria. The coefficients of the two variables did not pass the test of statistical significance at both 1% and 5%. The implication is that both do not exert significant impacts on economic performance of Nigeria. The result is an indication that contribution of the SMEs to macroeconomic policy does not have significant impact on economic performance of Nigeria. In addition, the role of the SMEs in provision of infrastructural facility and community development do not have significant impact on economic performance in Nigeria.

5. Conclusions and Recommendations

Firstly, from the findings of this research work it is obvious that the job creation and employment availability are the main areas where SMEs have the most significant impact on the Nigeria economic performance. The implication is that if enabling environment is created for the SMEs, they will play more significant role in improving the economic performance of the country via job and employment creation.

Secondly, results from the study shows that through output and income SMEs are also significant contributors to the growth of the Nigerian economy. Consequently, it is recommended that stake holders should encourage SMEs in the country to make available varieties of products in the country and their by boosting the income of the country through taxation on the SMEs.

Promotion of innovation and entrepreneurship is another germane area where SMEs is contributing immensely to the performance of Nigeria. Many innovative ideas that have led to development of technologies emanated from the SMEs sector. Therefore it is recommended that attention should be given to the SMEs sector by providing training tools and equipment at subsidized rates in order to encourage them to continue to contribute to the economic performance of Nigeria by breeding new innovative ideas

The study also revealed that SMEs play significant role in terms of contribution to macroeconomic policy making of the government. Although, the effect is weak due

to the failed macroeconomic policy of various administration in Nigeria. Therefore, the results revealed that SMEs are not included much in the macroeconomic policy of the government. According to the respondents, if the reverse were to be the case, government would be more committed to the SMEs sector. On this note it is recommended that the government should prioritize the inclusion of the SMEs in policy formulation since they are closer to the grassroots.

Lastly, the results indicate that SMEs are not significant contributors to the infrastructural and community development. The results shows that the issue of infrastructure are to be left for the government and not the SMEs since they are part of the incentives the government needs to provide in order to aid the performance of the SMEs and enable them to contribute more to the economic performance of Nigeria.

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