

Financing Small and Medium Scale Enterprises for Sustainable Development in Kogi State, Nigeria

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Abstract

This study was designed to examine the effect of sources of finance in financing Small and Medium Scale Enterprises in Kogi State. This study was guided by four research questions and four hypotheses all derived from literature review. Data collected for the study was done by the use of questionnaire and oral interview. The questionnaire was validated by experts in Economics and Measurement and Evaluation. Their inputs really gave the questionnaire its desired value. A total of 15 respondents were interviewed while a sum of 120 questionnaires (40 each) were administered to SMES operators in three Local Government Areas of Kogi the the State, namely; Ankpa, Dekina, and Idah. Ninety (90) of the administered questionnaires were returned and used for the study. Data analysis was done by the use of descriptive statistics while the test of hypotheses was conducted by the use of independent t–statistics. The result of the analysis showed that different sources of finance have great effect on the operation and running of SMEs in Kogi State. It was also discovered that over taxation, inadequate infrastructural development and lack of managerial skill have great effect on the operation and running of SMEs in Kogi State. Recommendations such as removal of all the structural and institutional bottlenecks causing impediments to smooth flow of loans from the lending institutions to SMEs in the State, allowing easy access to loans by well established enterprises or individual entrepreneurs who have the ability and capability of pay back to proceed in the procurement of such loans. It was also recommended that young entrepreneurs or enterprises should be encouraged by the government through the establishment of intervention fund in form of soft loans to be paid instrumentally

Keywords: Sources of Finance, Small and Medium Scale Enterprises and Sustainable Development

Introduction

In any society, government has the sole responsibility of providing employment opportunity for able bodied men and women. However, in the event that such opportunity is not available, the government can result to providing enabling environment for non-governmental organizations to bridge the employment gap. Such non-governmental organizations among others include the Small and Medium Scale Enterprises (Adebusuyi, 1997). The Small and Medium Scale Enterprise is usually regarded as the engine of socio-economic transformation and economic development especially in the developing countries like Nigeria (Nzaeko, 2015).

Accordingly, the management of Small and Medium Scale Enterprise in the country will stimulate self-employment, because it is very easy to establish and manage than the giant companies and corporations in the country. Small and Medium Scale Enterprise is usually determined by the levels of development in the country (Adekunle, 2003 and Akingunola, 2011). This is because location and operation of SMES by the operators in any particular area of the country depend on the availability of market for their airing products (Agwu and Emeti 2014). In most developing countries like Nigeria, Small and Medium Scale Enterprise is seen as an organization that has a sizeable number of employees of between ten to three hundred (10-300) people and asset base of two hundred million naira (₦200m) excluding land and working capital. On the other hand, Federal Ministry of Commerce and Industry defined Small and Medium Scale Enterprise as an organization with a total investment of seven hundred and fifty thousand naira (₦750, 000) excluding cost of land. This is because most SMEs exist in form of sole proprietorship and partnership. Although, some of them are regarded as limited liability companies because of their simple management structure such as labour intensive operation, simple technology usage, employer/employees relation and limited access to capital, to mention but a few(Onogu, 2005).

Agwu and Emeti (2014) opine that Small and Medium Scale Enterprise is any business organization employing between five to one hundred (5 - 100) workers with an annual turnover of about four hundred thousand naira (₦400,000). It also seen as the type of business whose personnel numbers fall below one hundred employees and capital base of two hundred thousand naira (₦200,000) (Onugu, 2005). They advocated that knowledge of business positivity affects number of SMEs in existence in any country which in turn affects interpersonal trust. Therefore, knowledge development reinforces SMEs trust which increases as the number of SMEs in the country increases.

Small and Medium Scale Enterprise is also seen as the business enterprise whose number of persons employed are below certain limit of ten persons (10) and a maximum of one hundred and fifty (150). However, in some cases, Small and Medium Scale Enterprises are said to exist when the asset base is equal or less than one hundred employees (Iromuala, 2006). It is an enterprise which has complete company registration in accordance with the requirement of the law. Small and Medium Scale Enterprise is in this case is regarded as the bases through which any economy can develop their potentials which in turn can be used for expansion in production process, improved employment generation and income distribution in the country (Yahaya 2015)

According to Ekezie (1995), every country in the world needs the existence of Small and Medium Scale Enterprise to survive. This is because Small and Medium Scale Enterprise produce goods and services for both end and intermediate users. They also utilize low capital cost for job creation especially for fast growing sectors of the economy. SMEs serve as channels through which new idea about production and services reaches the consumers easily and quickly (Onugu, 2005). Most countries in the world according to Yahaya (2015) have attained industrial advancement through the process of Small and Medium Scale Enterprises. Their existences have been regarded as effective way of development in most countries of Africa, Asia, and Latin

America. Hence, the government of such countries used the idea to stimulate industrialization, increase employment and reduce the level of poverty in their economy.

In view of the above, it is important to note that financing of Small and Medium Scale Enterprises through different sources brings about effective distribution of income and wealth, economic self-dependence, entrepreneurial development and a host of other economic benefits in a country. This study therefore, sought to find out how small and Medium Scale Enterprises are financed for sustainable economic development in Kogi State, Nigeria.

Literature Review

For any economy to grow and develop there is a need to deviate from civil service driven economy to private sector participation in the production and distribution of goods and services for sustainable economic growth and development. Private sector driven economy is often geared towards initiating appropriate measures to enhance different developmental plight and traits that will bring about self-employment, self-reliance and self-development. This is made possible through effective and efficient development and establishment of Small and Medium Scale Enterprises. In Nigeria, SMEs can be seen as the main opportunity that can be used to alleviate poverty and reduce inequality among the masses in the society (Musa and Aisha, 2015).

In a similar vein, Adebunyi (1997) opines that Small and Medium Scale Enterprises play vital roles in the growth, development and industrialization of many economies in the world. In Nigeria however, SMEs have performed below expectation due to combination of factors ranging from the attitudes and habits of SMEs themselves to economic related factors such as inconsistent policy of government as well as policy somersault. These challenges are of great concern to the government, operators, citizens, practitioners and other private sectors in the country (Adekunle, 2003). Furthermore, the full realization of the roles of SMEs has been thwarted because of high cost of running and operating business enterprises in the county. Despite these challenges, it has been observed that year after year, government at all levels through budgetary allocations, policies and pronouncements have signified interest and acknowledged crucial roles played by SMES in the sub-sectors of the economy. Similarly, in emphasizing the importance of SMEs in economic development, Anyanda and Adeyemi (2011) stated that SMEs enhance capacity building as they serve as avenues for entrepreneurial training and creation of more employment opportunities per unit of investment. This is so because their labour intensive mode of operations as well as high dependence on locally sourced raw materials, make them achieve relatively high value addition which are propelled by basic economic activities.

Aremu and Adeyeni (2011) posits that SMEs in Nigeria is constrained by inadequate finance, lack of managerial ability and skills because of the inability of most operators to acquire formal education, environmental conditions, entrepreneurial building skills and modern technology Accordingly, Agwu and Emeti (2014) opine that the poor state of the country's economy is a major hindrance towards the operations and running of most Small and Medium Scale Enterprises in the country. In addition, poor infrastructure such as road, power supply, communication and health care have made many enterprises (especially the foreign ones) operating businesses in the country to relocate to neighbouring countries like Ghana for better prospect. They also maintained that the high taxation system coupled with the infrastructural decay in the country have caused a lot of impediments in the growth of SMEs in the country. Multiple taxations generally increases the production cost and reduces the size of the stock-up capital and aggregate output which in turn discourage investment (Adebunyi, 1997). He also stated that lack of credit from the bank, corruption, and unstable government policies constitute a lot of hindrance to smooth running and operation of SMEs in the country. Most often,

governmental agencies harasses SMEs operators by imposing unauthorized levies and charges thereby causing an impediment to their progress, operation and functioning (Adebusuyi, 1997).

In support, Izedomi (2006) noted that about 80% of Small and Medium Scale Enterprises in the country were stifled because of poor financing and other associated problems. However, the problems of financing SMEs in the country are not necessarily the sources but accessibility of funds. Funds accessibility he added is often inhibited by stringent conditions required by financial institutions coupled with lack of adequate collateral security to back up the loan as well as high cost of accessing the funds. Furthermore, he observed that lack of trained manpower and management skills also constitute a major challenge to the survival of SMEs in the country..

Nzeaka (2015) was also of the view that the major challenges facing SMEs in the country were lack of finance and capital to start up the business. He maintained that most Small and Medium Scale businesses in the country depend on their own money and sometimes borrowed money from friends and relatives to start and operate their businesses. However, funds from these sources are most often grossly inadequate for smooth business operations. In order to stimulate this sector of the economy, SMEs operators need to be properly monitored and effectively coordinated by different tiers of government and stake holders in the private sector for optimum growth and development. These measures will ensure optimal production among Small and Medium Scale businesses in the country (Akende, 2012).. Following the above assertions therefore, this study is intended to find out the problems associated with SMEs operators in sourcing for finance to run their enterprises in Kogi State, Nigeria

Objectives of the Study

The research objectives were as follows:

- I. To determine the major problems facing SMEs operators in sourcing finance for their smooth operations in Kogi State
- II. To ascertain the effect of multiple taxations on the operation and running of Small and Medium Scale Enterprises in Kogi State
- III. To determine the effect of inadequate infrastructural facilities on the operation and running of SMEs in Kogi State.
- IV. To ascertain the effect of lack of managerial skill on the operation and functioning of SMEs in Kogi State

Research Questions

The following research questions were formulated to guide the study.

- I. What are the problems facing SMEs operators in sourcing finance for the operation and running of Small and Medium Scale Enterprises in Kogi State?
- II. What are the effects of multiple taxations on the operation and running of Small and Medium Scale Enterprises in Kogi State?
- III. Does an inadequate infrastructural facility constitute a problem in the operation and functioning of Small and Medium Scale Enterprises in Kogi State?
- IV. What are the effects of lack of managerial skill on the operation and management of Small and Medium Scale Enterprises in Kogi State

Research Hypotheses

The research work was guided by the following Research Hypotheses

- I. Sources of finance has no effect on the operation and running of Small and Medium Scale Enterprises in Kogi State
- II. Multiple taxations has no effect on the operation and running of Small and Medium Scale Enterprises in Kogi State
- III. Inadequate infrastructural facilities like road, electricity, water supply etc has no effect on the operation and running of small and medium scale Enterprises in Kogi State.
- IV. Lack of managerial skill has no effect on the operation and functioning of SMES in Kogi State.

Methodology

The scope of the study was kogi East senatorial District. Three (3) out of the nine (9) Local Government Areas that made up the Senatorial District were randomly selected for the study. These were Ankpa, Dekina and Idah LGAs. These selected LGAs consist of the main commercial areas of Kogi East Senatorial District. Structured questionnaire was used for data collection while purposive and simple random techniques were adopted to draw the sample from the population. The questionnaire was first validated by experts in Measurement and Evaluation as well as Economics. Their inputs gave the questionnaire good impression when it was administered. A total of 15 respondents were interviewed face to face, while questionnaires were administered to a total of 120 respondents, mainly SMEs operators, in the areas. A sum of 40 questionnaires was administered to each of the three LGAs. However, 90 of the 120 questionnaires administered were returned. The analysis of the Data collected was done using descriptive statistics and independent t-test with the aid of Statistical Package for Social Sciences (SPSS)

Data Presentation and Analysis

Table 1 (a): Responses on the difficulties faced by SMEs operators in accessing finance from various sources

	Ankpa	Dekina	Idah	Total
Personal savings. % count for sources of finance	8 26.7%	10 33.3%	12 40%	30 (33.3%) 100%
Loan from friends and relatives	6 25%	12 50%	6 25%	24 (26.7%) 100%
Loan from banks	8 47.1%	3 17.6%	6 35.3%	17 (18.9%) 100%
Loan from money lenders	5 50%	3 30%	2 20%	10(11. 1%) 100%
Loan from micro-finance	3 33.3%	2 22.2%	4 44.5%	9 (10%) 100%
Total % count of responses of the respondents on sources of finance	30 33.33%	30 33.33%	30 33.33%	90 100%

Source field survey 2016

Table 1 (a) above shows the responses of the respondents on the data collected on the difficulties faced by SMEs operators in accessing finance from various sources in Kogi State. The data were represented by figures and percentages. From the analysis, it was discovered that 30 respondents representing 33.3% of the 90 respondents accessed finance from their personal savings to run and operate SMEs in the state. The figure represents 26.7%, 33.3% and 40% from Ankpa, Dekina, and Idah Local Government Areas respectively. Also, 24 out of the 90 respondents, representing 26.7% accessed loan from friends and relatives to finance SMEs in the State. The figure represents 25%, 50% and 25 % from Ankpa, Dekina and Idah Local Government Areas of the State respectively. Likewise, 17 respondents made up of 18.9%) of the 90 respondents accessed loan from banks to finance SMEs in the State. This figure represents 47.1%, 17.6% and 35.3% from Ankpa, Dekina and Idah Local Government Areas respectively. Similarly, 10 (i.e. 11. 1%) of the 90 respondents, representing 50%, 30% and 20% from Ankpa, Dekina, and Idah LGAs respectively, accessed funds from the money lenders for running and operating SMEs in the State. Finally, 9 (i.e. 10%) of the 90 respondents, representing 33.3%, 22.2% and 44.5% from Ankpa, Dekina and Idah LGAs respectively, accessed finance from micro-finance banks to run and operate Small and Medium Scale Enterprises in the State. From the analysis it is obvious that personal savings is the most important source of finance in the operation and running of Small and Medium Scale Enterprise in the State. Hence, table 1 above, shows that personal savings has the highest response of 30 (33.3%) from the Local Government Areas selected for study. The result of the analysis therefore shows that personal savings is the most accessible means of financing Small and Medium Scale Enterprises in the State.

Hypothesis 1: Sources of finance has no effect on the operation and running of Small and Medium Scale Enterprises in Kogi State

Table 1(b): Test on Sources of finance as it affects the operation and running of Small and Medium Scale Enterprises in Kogi State

Variables	TEST VALUES=0						95% confident interval of the difference	
	Mean	StD	St Error mean	df	t	Sig. (2 tailed)	lower	upper
Personal savings	33.3	6.65	3.83	2	8.68	0.13	15.81	49.85
Loan from friends and relatives	33.3	14.43	8.33	2	4.00	0.57	-2.52	69.18
Loan from banks	33.3	14.04	8.57	2	3.88	0.60	-3.55	70.29
Loan from money lenders	33.3	15.26	8.81	2	3.78	9.63	-4.61	71.22
Loan from micro finance	33.3	11.25	6.43	2	5.1	0.35	5.62	61.03

Source: SPSS Package

From the table 1(b) above, independent t-statistics was used for the analysis and it was discovered that personal savings, loans from friends and relatives, banks, money lenders and micro-finance had the means of 33.3 each and the standard deviations of 6.65, 14.43, 14.04, 15.26 and 11.25 respectively. Since all values of t-statistics calculated are greater than t-table of 1.96 at 0.05 level of significance, we can conclude that different sources of finance available to SMES operators have great impact on their operations in Kogi State,

Table 2(a): Responses on whether multiple taxations have effects on the operations and running of Small and Medium Scale Enterprises in Kogi State.

Responses on the effects of multiple taxations on SMEs	Ankpa		Dekina		Idah		Total
	No. of respondents	% count of respondent	No. of respondents	% count of respondent	No. of respondents	% count of respondent	
Strongly Agreed	14	46.7%	10	33.3%	6	20%	30 (33.33%)
Agreed	6	27.3%	12	54.6%	4	18.1%	22(24.44%)
Disagreed	4	20%	6	30%	10	50%	20(22.22%)
Strongly Disagreed	6	33.3%	2	11.1%	10	55.6%	90(100%)

Source: Field survey 2016

The table above revealed that 14, 10, 6 respondents representing 46.7%, 33.3% and 20% respectively in Ankpa, Dekina and Idah Local Government Areas of Kogi State strongly agreed that multiple taxations have negative effects on the operations and running of Small and Medium Scale Enterprises in Kogi State. 6, 12, and 4 respondents representing 27.3%, 54.6% and 18.1% respectively agreed, while 4, 6, and 10 respondents representing 20%, 30%, and 50% disagreed. Likewise, 6, 2, and 10 respondents representing 33.3% 11.1%, and 55.6%, strongly disagreed. From the result of the analysis we therefore uphold that multiple taxations have great effects in the operations and running of Small and Medium Scale Enterprises in Kogi State.

Hypothesis 2: Multiple taxations have no effect on the operations and running of Small and Medium Scale Enterprises in Kogi State

Table 2(b): Test on the effect of multiple taxations as it affects the operations and running of Small and Medium Scale Enterprises in Kogi State

Variables	T-Values=0					
	Mean	STD	No.	df	t-statistics	sig
SA	33.3	13.35	3	2	4.35	0.05
A	33.3	18.98	3	2	3.04	0.93
D	33.3	18.98	3	2	3.04	0.93
SD	33.3	15.27	3	2	3.7	0.63

Source SPSS Package

From the analysis of data as shown on table 2 (b) above, it was discovered that the mean of the variables was 33.3 each while the standard deviation were 13.35, 18.98, 18.98, 15.27 respectively. It was also discovered that the t-statistics of the variables calculated were 4.35, for the respondents who strongly agreed, 3.04 for agreed, that multiple taxations have great effect on the operations and running of Small and Medium Scale Enterprises in the state and 3.04 for those who disagreed and 3.7 for those who strongly disagreed on these motion. From the result of the analysis it was discovered that t-test of those who strongly agreed is greater than those who disagreed and strongly disagreed at 0.05 level of significance, we therefore reject the null hypothesis and accept the alternative that multiple taxation has great effect on the operations and running of Small and Medium Scale Enterprise in the State

Table 3 (a): Responses of the respondent on the effect of inadequate infrastructural facilities on the operation and functioning of Small and Medium Scale Enterprises in Kogi State

Responses on the effect of multiple taxation on SMES	Ankpa		Dekina		Idah		Total
	No. of respondent	% count of respondent	No. of respondent	% count of respondents	No' of respondents	% count of respondents	
Strongly Agreed	14	46.7%	13	43.3%	10	33.3%	36(40%)
Agreed	13	43.3%	9	30%	8	26.7%	30(33.3%)
Disagreed	2	20%	6	46.7%	10	33.3%	18(20%)
Strongly Disagreed	1	20%	3	46.7%	2	33.3%	6(6.7%)

Source: Field report 2016

From the result of the analysis above, it has been revealed that 14, 13, and 10 respondents representing 46.7%, 43.3% and 33.3% respectively strongly agreed that inadequate infrastructural facilities constitute a problem in the operation and functioning of Small and Medium Scale Enterprises in Kogi State. 13, 9 and 8 respondents representing 43.3%, 30%, 26.7% in Ankpa, Dekina and Idah Local Government Areas agreed, while 2, 6 and 10 respondents representing 20%, 46.7%, and 33.3% disagreed. Finally, 1, 3 and 2 respondents representing 20%, 46.7% and 33.3% strongly disagreed that inadequate infrastructural facilities constitute a problem in the operation and functioning of Small and Medium Scale Enterprises in Kogi State. From the result of the analysis therefore, we uphold that inadequate infrastructural facilities constitute a problem in the operation and functioning of Small and Medium Scale Enterprises in Kogi State.

Hypothesis 3: Inadequate infrastructural facilities like road, electricity, water supply, etc have no effect on the operations and running of Small and Medium Scale Enterprises in Kogi State

Table 3(b): Test on the effect of inadequate infrastructural facilities like road, electricity, water supply, etc on the operation and running of Small and Medium Scale Enterprises in Kogi State

Variables	T-Values=0					
	Mean	STD	No.	df	t-statistics	sig
SA	41.10	6.96	3	2	10.22	0.09
A	33.33	8.78	3	2	6.57	0.22
D	33.33	13.35	3	2	4.32	0.50
SD	33.33	13.35	3	2	4.33	0.50

Source: SPSS Package

The analysis on table 3(b) above revealed that the 41.10 and 33.33 were the mean responses of the respondents who strongly agreed and agreed that inadequate infrastructural facilities like road, electricity, water supply etc have effect on the operation and running of Small and Medium Scale Enterprises in Kogi State, while others were 33.33 each for disagreed and strongly disagreed. The standard deviation of respondents who strongly agreed and agreed were 6.96 and 8.78, while, 13.35 each were for those who disagreed and strongly disagreed respectively. The result of the t-statistics from the table revealed that the values for strongly agreed and agreed are greater than that of the other variables and are significant at 0.05 levels of significance. The null hypothesis was therefore rejected and the alternative accepted that inadequate infrastructural facilities like road, electricity, water supply etc have great effect on the operation and running of Small and Medium Scale Enterprises in Kogi State.

Table 4 (a): Responses of the respondents on whether Lack of managerial skill has any effect on the operation and functioning of SMES in Kogi State

Responses on the effect of multiple taxation on SMES	Ankpa		Dekina		Idah		Total
	No. of respondent	% count of respondent	No. of respondent	% count of respondents	No. of respondents	% count of respondents	
Strongly Agreed	13	43.3%	10	33.3%	14	46.7%	37(41.1%)
Agreed	6	30%	6	30%	8	40%	20(22.2%)
Disagreed	6	30%	8	40%	4	20%	20(22.2%)
Strongly Disagreed	5	33.3%	6	40%	4	26.7%	15(16.7%)

Source: Field report 2016

Table 4 above shows that 13, 10 and 14 respondents representing 43.3%, 33.3% and 46.7% strongly agreed that lack of managerial skills affect the operation and ruining of SMEs in Kogi State while 6, 6 and 8 respondents representing 30%, 30% and 40% respectively agreed. Furthermore, 6, 8 and 4 respondents representing 30%, 40% and 20% respectively disagreed while 5, 6 and 4 respondents representing 33.3%, 40% and 26.7% strongly disagreed that lack of managerial skill has great effect on the operation and functioning of SMEs in Kogi State

Hypothesis 4: Lack of managerial skill has no effect on the operation and functioning of SMEs in Kogi State

Table 4(b): Test on the effect of lack of managerial skill on the operation and running of SMEs in Kogi State

Variables	T-Values=					
	Mean	StD	No.	df	t-statistics	Sig
SA	41.10	6.96	3	2	10.22	0.09
A	33.33	5.77	3	2	10.00	0.10
D	30.00	10.00	3	2	5.19	0.35
SD	33.33	6.65	3	2	8.69	0.13

Source: SPSS Package

The analysis on table 4(b) above shows a mean value of 41.1 for respondents who strongly agreed that lack of managerial skill negatively affect the operation and running of Small and Medium Scale Enterprises in Kogi State. Respondents who agreed, disagreed and strongly disagreed had the mean values of 33.33, 30.00 and 33.33 respectively. Also, the standard deviation for respondents who strongly agreed was 6.96, while others were 5.77, 10.00 and 6.65. However, the t-statistics of 10.22 as seen above was significant at 0.05 % level. In view of this, we reject the null hypothesis and accept the alternative that lack of managerial skill has great effect on the operation and running of Small and Medium Scale Enterprises in Kogi State.

Summary of the findings

From the results of the analysis above, the following findings were made.

- I. That apart from personal savings, there is a lot of hurdles in accessing funds from other sources to finance Small and Medium Scale Enterprises in Kogi State.
- II. That over taxation and other extortions by tax officials in Kogi State has negative impact on the Small and Medium Scale Enterprises in Kogi State
- III. That inadequate infrastructural development is an obstacle to the operation and running of SMEs in Kogi State.
- IV. That lack of managerial skill has great effect on the operation and running of SMEs in Kogi State

Conclusion and Recommendations

In order to attain sustainable development in the country and Kogi State in particular, there is the need to encourage the involvement of private sectors especially SMEs in the production of goods and services. This is because the establishment and operation of SMEs always result to improved output, better resource utilization, employment generation, self-reliance and self-dependent economy. These can effectively restore an economy from recession to boom or posterity.

On the basis of the result of the findings from this study, the following recommendations were made.

Firstly, all the structural and institutional bottlenecks causing impediments to smooth flow of loans from the lending institutions to SMEs in the State should be removed. In addition, government should facilitate loan procurement to well established enterprises or individual entrepreneurs who have the ability and capability to pay back. Young entrepreneurs or enterprise should also be encouraged by the government through the establishment of intervention funds in form of soft loans to be paid instrumentally. This will remove all obstacles to loan repayment and enhance smooth running and operation of SMEs for sustainable economic development in Kogi State.

Secondly, to enable the private sectors to fully participate in sustainable economic development in the State, government should provide a level playing ground for the operation and running of SMEs such that operators should operate businesses without molestation or intimidation from government tax officials. This should be done through effective monitoring of all tax officials to ensure that over taxation and extortions which hinder effective operation and functioning of SMEs in the State are avoided. The removal of such tax hurdles enhances effective operations as well as conducive environment for sustainable growth and development of SMEs in the state.

Thirdly, government should improve on the current infrastructural development in the State. This is necessary because infrastructural development is one of the bases upon which many enterprises or entrepreneurs thrive to survive. So to encourage the development and survival of many enterprises in the State, infrastructural development such as road, electricity, water supply to mention but a few should be improved upon. Such improvement will enhance smooth operations of the activities of SMEs in the State.

Fourthly, education which is often regarded as the life wire of any organization including SMEs should be improved up on and made compulsory by SMES operators and stakeholders in the State. This mean that there should be training and retraining of staff in SMEs organizations in the State to improve their managerial efficiency. This if encouraged, will lead to effectiveness and efficiency in the operations of SMEs in the State.

Finally, government should collaborate with the private sectors to provide steady programmes on radios and televisions so as to report the activities of SMEs on sustainable development in the State. This will help to enlighten and create more public awareness on the general conduct of SMEs operation in the State. By this also, the perceived risk involved in the operation and running of SMEs in the State will be reduced.

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