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Original Research Article

SMALL SCALE ENTERPRISES IN NIGERIA: TOWARDS ITS SUSTAINABILITY

ABSTRACT

Small Scale Enterprises (SSEs) remained veritable tool to overcome the scourge of poverty in the developing nations of the world. In this line, the study investigated the role of government in sustaining the sector.

A sample of 200 respondents was randomly selected from targeted small scale traders through the application of questionnaire. This was complemented with In-Depth Interview (IDIs).

Sixteen percent of the respondents benefitted from the government in the form of soft loans and training workshops. At the same time, 64% of the traders complained the non challant attitude of government at promoting the sector. This was in the form of access to loan, taxes, electricity, and security to lives and properties. Sources of financing SSEs consisted of family (27.0%), personal income (51.0%), friends (6.0%), cooperative (7.0%) and government aids (9.0%)

SSEs suffered from a low level of government investment and attentions despite its capacity to serve as major employer of youths. It is strongly recommended that government at all levels should incorporate in their policy agenda the social transformation of small scale sector. This will go a long way of mitigating the scourge of poverty in Nigeria.

Keywords: Small scale business, role of government, Profitability, taxes.

INTRODUCTION AND STATEMENT OF THE PROBLEM

Small Scale Enterprises (SSEs) plays significant role in the socio-economic transformation of every country. The phenomena increase of SSEs in many developing countries is a remarkable acceptance that it serves as panacea to poverty reduction and perhaps eradication of poverty in many developing nations of the world (Devis 1993; Central Bank of Nigeria [CBN], 2005). The evidence in developed nations of the world showed that people who are engaged in small scale enterprise sector live above poverty line and could afford basic necessities of lives. It further shows that this sector remained the largest employer of labour in the United State of America, Britain, France and Japan to mention a few (CBN, 2005). Indeed the Developed Nations continued to enjoy the contribution from this sector to rapid growth of their GDPs. Studies have shown that

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because of the significance of small scales sector in developed countries, governments of these nations have remained focused to eradicate impediments to the growth of the sector. So people were encouraged to participate and empowered by means of technical and financial assistance (Central Bank of Nigeria, Enugu Zone 1998; CBN/World Bank 1999; World Bank, 2002; Duru A. 2008).

Consequent upon the success of small scale enterprises in developed nations, it was recommended that for Africa and other Third World Nations to overcome the problem of poverty in their domains, they must adopt a policy that entrench the growth of small scale business (Elumilade, Asaolu and Adereti, 2006). This recommendation was premised on the fact that government cannot exclusively solve the problem of unemployment by engaging every job seeker in its ministries and parastaltals. Therefore, to solve the problem of poverty caused by unemployment, government must begin to see the need to boost informal sector which is the largest employer of labour. This development produced establishment of agencies like National Poverty Eradication Programm, People's Bank of Nigeria, Better Life for Rural Women and National directorate of Employment among others.

However, despite government effort at addressing poverty in Nigeria through sustainable small scale enterprises, poverty in the country has remained high and intractable. Studies have shown that at least 70% of the Nigerian population lives below $2 per day. This suggests that more than three quarters of the Nigerian population could snots afford basis necessities of life, nutritional foods, good shelter, qualitative education, clothing, leisure, access quality health care and others. The northern part of Nigeria remains the worst hits of poverty problem (The Punch, 2013). Yet, small scale enterprises were panacea to these problems in some countries of the world. The case in Nigeria has remained poor attention to the SSEs and perhaps low motivation to those engaged in the sector. This study therefore attempt to examine the growth of small scale sector as a solution to poverty reduction and eradication

RESEARCH OBJECTIVES

The general goal of the study is to examine the role of small scale enterprises in poverty alleviation in Nigeria. However, the study will specifically address the following objectives. To:

1. Identify the sources of financing small scale enterprises
2. Examine the role of government in facilitating the growth of small scale enterprises.

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LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Small scale business is an important hub of economic activities in many developing countries. It is a business unit which requires relatively little capital. Basically, small scale enterprises cut across many economic activities. This includes agriculture, services, production and consumption. At the level of agriculture, there are individuals that engage in agriculture economy such as small scale farming (in poultry, fishing, snail, pegs and others), and supplier of farm crops to earn a living. The service economy engages small scale traders in telecommunications services, household materials, clothing and the likes. Production and consumption economy ensure that people are engaged in skilled occupation such as gold/black smiths, commercial drivers, motorcycle riders or otherwise *okada* in South West Nigeria parlance (Micah and Lasisi, 2013). At the same time, there are people who supply consumption foods produced by them. People now engage in the production of sachet/bottle water, supply packaged foods that consumers find attracting food supplement. All these activities aim at improving economic status of people and perhaps a panacea to poverty (Micah and Manzo, 2014).

The idea of small scale business is borne out of the need to tackle poverty. Yet there are many efforts or methods to achieve the growth of small scale business. Central to the problem of poverty is the availability of work. Work allows people to produce for themselves (i.e. food) and earn the money needed to buy goods and services. It is also from work that wealth is created through taxation, which allows governments to fund pro-poor services such as health care, clean water and education (Zupi, 2007). Work, more specifically decent work, is not easily created, however. It develops out of a complex and balanced system of economic, social and political activity (UNDP [United Nations Development Programme], 2002; World Bank, 2002; UNDP, 2003; Zupi, 2007). This work concept is better understood in the activities of small scale business. This is effort to ensure that people are actively engaged in economic activities that allow them to overcome problem of poverty.

Work is central to poverty reduction but ‘working out of poverty’ provides only general guidance on how to achieve that ultimate goal. For many poor people, work means being the owner of, or an employee in a micro small enterprise. The poor often work alone, as the owner, manager and sole employee of their enterprise, or they involve their family members, casual labourers and permanent workers (Shaffer, 2001; Ugor and Ukpere, 2006; Tomori, 2006). In many cases, poor people opt for such work (small scale enterprise) because they have little choice, either adequate paid employment is not

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available or the work they do on the family farm is not adequate to satisfy household needs. They attempt to walk out of poverty by working for themselves. This ensures that people get income no matter how small to cater for their needs

Small enterprise development (SED) is about creating an environment so that owners and workers can work smarter, work safer and work more productively. In doing so, they can reduce their poverty. This is the challenge of poverty reduction through small enterprise development (Procacci, 2007; Samuel and Wilfred 2009). The development is such that self belief in smartness, safety and productivity now influence small scale economy. It is a common place in Nigeria to see people resorting to small scale business as means of survival. This sector now serves as safety net for numerous people who are jobless.

There is an emerging consensus on poverty reduction and small enterprises that is comprised of two central elements. The first is that much of the population in poor countries operates or works for micro and small enterprises (MSEs) and that even in richer countries, a substantial portion of the population is employed in small and medium enterprises (SMEs) (). In poor countries, MSEs are where the poor are working – either out of choice or of necessity (Marsland, 1996; Oyemoni, 2003; Ekpu 2004; National Bureau of Statistics, 2006; Elumilade, Asaolu and Adereti, 2006; Duru, 2008). The case in Nigeria may be important to mention. Basically, engagement in small scale sector is a matter of necessity. The population of people in the sector is largely youths who are frustrated with rigors of job search. Small scale business is therefore seen as necessity to remain buoyant economically and overcome stress of joblessness. At the same time small scale business ensures that people get income to survive.

The second element of the consensus is that the general functional areas of how to support private sector development in general and SED in particular, are being established. These have been set out in a recent report of the UNDP's Commission on the Private Sector and Development, Unleashing Entrepreneurship, and in a number of similar documents. The general areas include: a policy, regulatory and legal environment that is simple, fast, inexpensive and free from corruption; finance that is accessible at low cost and does not require the poor to provide physical collateral; access to affordable business development services; workers who are trained in appropriate skills; basic health and education that strengthens human capital; a culture that supports and rewards entrepreneurship; access to domestic and global markets on a fair and equal basis with large enterprises; and solid infrastructure e.g. transport, energy, telecommunications, etc.

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(CBN and World Bank, 1998, 1999; Brinkerhoft and Crossby, 2002; Akintunde O., Amaehula, 2005; Manning, 2007).

The emerging consensus is reassuring and generally helpful in developing pro-poor SED strategies. There is, however, much that remains untested and unexplored. For example, promoting SMEs for development, making markets work for the poor, 'accelerating pro-poor growth through private sector development, analytical framework, making globalization work for the poor, making business service markets work for the poor in rural areas, (World Bank, 2002; UNDP, 2003; Zupi, 2007). These areas mentioned constitute engine of growth for small scale business. It further shows that SED development is multi dimensional and effort to address the issues can positively impact small scale economy.

There are three major concerns. First, while MSEs are important for employment in poor countries, we have not yet fully grasped the long-term process by which an MSE sector that provides low incomes and poor working conditions is transformed into a vibrant SME sector that provides stable employment. This is the process in which the first 'M' of MSEs (micro-enterprises) is dropped for the second 'M' of SMEs (medium-size enterprises). The missing middle in the production structure of many developing countries has been identified but much needs to be done to understand how it can be developed (Tomori, 2006; Samuel and Wilfred, 2009). Although one may expect that micro business should develop to medium size over time, it may however unrealistic due to structural and individual constraints that affect the business. Second, the impact of SED activities on poverty reduction is not proven. Most often, it is assumed. Yet understanding is growing but it is still not clear how to assess impact and even those techniques that are known are often not used. This is a critical problem for Donors, NGOs, Governments and International Agencies – including the ILO – in terms of knowing how best to invest their time and money in the area of SED (Procacci, 2007; Okoye and Onyukwu, 2007). This scenario may differ from country to country or location. It is possible that evidence of poverty reduction through small scale business may be lacking in one environment, it may however be obvious in another location that people who engaged in the business experienced tremendous change in their economic status. In this current study, the evidence was proven. Findings showed that more than 90% of the individual in small scale business experienced positive change in their socio-economic status.

Third, the appropriate balance between freeing up markets and commercially driven processes, on the one hand, and support and intervention from non-private actors is still not known. For example, have the high levels of growth and poverty reduction in

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East Asia resulted from free markets or the judicious intervention and governing of markets by policymakers. The implementation of strategies for pro-poor SED policies and programs is still in its infancy (Nnamani, 2003; Manning, 2007). A great has been learnt but the learning process has only begun. Yet it can be maintained that small scale enterprises play significant role in poverty eradication especially in the context of the study area. Nigerian government now recognizes the importance of the sector by its effort to invest and attract investment in the sector. It is now a known fact that government cannot solely provide jobs or empower the numerous citizens. Small scale business remains tools by which government canvass economic empowerment for its jobless population through collaboration with private sector and international investors.

THEORETICAL FRAMEWORK

NEOLIBERAL THEORY

The central argument of neoliberalism is absolute free market economy by means of deregulation and privatisation. The concept of neoliberalism derives from the ideas of early liberal theorist such as Adam Smith, David Ricardo (Robbert, 1999). The thrust of neoliberalism is the belief in the market forces as the basis for allocation of goods and service. The idea is that this will not only transform the nations' economy but also the world economy (Haralambos and Holborn, 2009; Micah and Okafor, 2012).

Thus, neoliberalism posits that economic growth is consequent upon free trade, liberalization, deregulation, and privatisation. This means for an economy to develop, there must be open system, which allows for international relations and cross-border trade. Free trade and economic liberalization is not enough, domestic economies should eradicate any perceived barriers to market forces. The implication of this theory suggests that small scale business will thrive in a market economy with the minimal state regulation that allows individual to invest their capital. Besides, neo liberal theory posits that the role of government in the market economy should be to provide stable infrastructure such as security, road accessibility, electricity and construction of market shops etc that may enhance activities of the market system. Ultimately, the assertion of this theory is to conclude that the only panacea to poverty and poverty alleviation will be the market system that encourages individualism and entrepreneurship. This upholds the philosophy of eradicating poverty through small entrepreneurship.

At other end, the sociological implication is that small scale enterprises eradicate poverty among people, provides stable source of income that is important for individual, group, family, community and society as at large. This is because poverty is a major

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problem that exposes people to vulnerability of hunger strife, malnutrition and crime which combined to threaten social stability of any society. Therefore, any measure (e.g. small scale enterprise) established to address social problem is a conscious effort to promote sustainable society devoid of social anarchy especially youth restiveness. This suggests the important role of governments at all levels to invest in small scale sector.

RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

This study adopted cross-sectional survey design. This method utilized semi-structured questionnaire. The study design was largely descriptive because it combined quantitative and qualitative methods for data collection and analysis to examine the role of small scale enterprises in poverty alleviation.

3.2 STUDY AREA

Sabon-gari market is located in Fagge local government area of Kano state. Fagge local government is old in status but new in affairs of the local government administration. It serves as the nerves of the Kano commercial activities with a staggering population of 265,036 and land mass covering3659km in addition of being one of the newly local governments created by late general Sani Abacha in 1996.

Fagge local government of Kano state headquarters is located in the town of WAJE administrative capital. It has an area of 21 sq.km and a population of 69,828 as at the 2006 census figures from kano state. Fagge local government area of kano had a population totaling 698,828 as at 2012 estimates. The local government is mostly populated by Hausa people, otherwise referred to as Hausa Fulani due to the undistinguishable feature. They pair arising out of culture intermarriage and intermingling mostly as a result of business associating functions.

Other predominant ethic group far and wide in addition includes Kanuri, Nupe, Ebira, Yoruba and others-numerous ethic groups as such there is prevalent peaceful and mutual coexistence, liberal traditional tolerance and accommodative. The population is predominantly Muslims and Christians. The local government lies in the savanna region with two seasons, which are dry and rainy seasons. The local government is basically oriented centre. It has a population engaged in subsistence farming, producing items like maize, rice, and millet etc. It serves as centre for commercial activities in which as a result, rural-urban migration becomes the order of the day movement. The local government has nine wards.

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Mohammed Abubakar Rimi market, popularly known as sabon-gari market, is the largest market in the state. It is meant for the selling of general provision, confectionary, textiles, electronics, and vegetables, stationary and general foodstuff. In an effort to decongest the market, seller of grains and woods had to be transferred to other location in Kano metropolis, where they have now emerged as specialized markets. The market is still in need of similar effort due to congestion.

3.3 STUDY POPULATION

The population for this study consisted traders of small scale businesses in sabon gari market, Kano state. In sabon gari market, there are traders of different categories who specialized in agricultural material, leathers and animal skin, textiles, telecommunication retail services and butchers to mention a few. Also in this same market, there are traders who had medium and large scale investment. These categories of traders were excluded from the study. The criteria for chosen the study population was informed by the size of business traders were engaged as it meet with the definition of small scale business.

3.4 SAMPLE SIZE AND SAMPLING PROCEDURE

The sample size for the study was 200 respondents. As at the time of this study, there was no official statistics available that gave accurate estimate of traders in sabon gari market. This study therefore relied on the following formula as stated in the work of Nachimias and Nachimias (1996).

$$SS = \frac{Z^2 [P (1-P)]}{D^2}$$

SS= sample size

Z= level of significance (1.96) at 95% confidence intervals

P= the estimated proportion of the factor to be studied (50% or 0.5)

D= sampling error that can be tolerated (0.05%)

Therefore:

$$\frac{1.96^2[0.5(1-0.5)]}{0.05^2}$$

SS= 384.16.

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Approximate sample size= 384.

Since the estimated proportion of factor studied is 50%, the sample size is limited to 192. Thus, adding 8 in case of error, the size was increased to 200. Therefore, the sample size used in this study was 200.

The sampling procedure for the study was multi stage. This consisted of purposive, cluster, simple random and convenience sampling techniques. The purposive sampling was used to select study location (kano and sabon gari market) and the study population. Kano is one of the major towns in the north-western Nigeria and also the town composed significant proportion of the poor. Besides, sabon gari market is the biggest market in Kano and so it is expected that different categories of traders converged for economic activities. Small scale traders were selected purposive because their size of business fitted into the definition of the research topic.

Cluster sampling was used to label sabon gari market into Study Areas (SAs). The structure of the market is large and it is classified into market districts. As at the time of this study, there were ten (10) districts (i.e. A- J) that could be identified. Thus, each of these districts represented SAs so that the process of data collection could be easy. This also ensured that all locations in the market were covered.

In the mean time, the market districts in sabon gari were further sub divided into market streets. It was impossible for the researcher to cover every street within the market district. So, simple random, balloting sampling was applied to select few market streets. In this wise, two market streets were randomly selected from each of the market districts. This sum up to 20 market streets selected in sabon gari market. In each of the market streets, 10 respondents were selected. There were 200 small scale traders selected in the study area. Convenience sampling, a non probability method was used in reaching final respondents who provided answers to research questions stated in the questionnaire. The need for convenience sampling method in this study was that sampling frame or sample register for small scale traders was not available. Hence, random selection of respondents was rather impossible.

3.5 METHOD AND INSTRUMENT OF DATA COLLECTION

Quantitative and qualitative methods were used to collect quantitative data and qualitative data respectively. Quantitative method utilized questionnaire design that consisted of some questions items. Qualitative method utilized in-depth interviews (IDIs) that consisted of listed questions which probed the research questions in the study.

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The instruments of data collection comprised questionnaire and IDIs. The questionnaire was semi-structured and it was classified into sub sections. Section *A* contained questions for the socio-demographic characteristics. Sections *B, C, D,* and *E* raised questions that investigated the research objectives. The IDI was used to probe issues that were not adequately covered in the semi structured questionnaires. Put simply, the IDIs complemented questionnaire in order to elicit robust information from respondents.

3.6 METHOD OF DATA ANALYSIS

Quantitative and qualitative methods were used in the data analysis. Quantitative data were analysed at the level of quantitative method which comprised descriptive statistics (e.g. frequency count and percentage) and chi square analysis. Analysis at the level of quantitative was univariate and bivariate. At the level of qualitative, data were analysed using content analysis. This involved the use of ethnographic summary and verbatim quotation of responses. In this process, the data collected in words or textual form were transcribed and sorted or classified according to the research objectives. Only relevant responses were quoted and presented in italics to complement quantitative data. Overall, quantitative data were processed with the aid of electronic software called Statistical Package for Social Sciences (SPSS) version 17.0.

3.7 ETHICAL CONSIDERATION

This study was authorized by the approval of Igbinedion University as part of the fulfillment for the award of degree certificate. Most importantly, respondents were given the confidence of anonymity and security which were clearly stated in the questionnaire. In the course of data collection, some respondents declined from participation in the study. All respondents were approached with high sense of respect and dignity. So those who were convinced participated and those who rejected the call for participation were ignored. All data collected for this study were to the consent of the respondents.

PRESENTATION AND ANALYSIS OF DATA

4.0 INTRODUCTION

This section focuses on the analysis of data collected in the course of this study. Basically, the findings are presented in sub sections.

4.1 SOCIO-ECONOMIC CHARACTERISTICS

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The socio-economic characteristics of respondents are important in any research findings. The role of these characteristics is that respondent's age, income, education, religion and ethnic to mention a few may determine and shape pattern of responses to research questions. The tables 4.1.1 below showed that in the analysis of sex, 64.0% of the respondents were male and36.0% were female. The age distribution showed that most respondents (21.5%) were between ages 26 and30 years. There were4.0% of the respondents who were aged less than 16 years. Also, 7.0%of the respondents were aged 51 years and above. The inference that could be drawn from the findings is that most people who were engaged in small scale business in the study area were under the age of30years.This suggested that small scale business was a major source of employment to young people.

The marital status of the respondents showed that 52.0% were married, while there were individuals who were single (26.6%), divorced (13.0%) and separated (8.5%). It may be reasoned from the foregoing finding that small scale enterprises will continue to be relevant as source of sustaining economic needs of family. On the educational qualifications of the respondents, 24.0% had no formal education, 18.0%had primary education and 25.5% had post primary education. Also, 32.5%of the respondents had tertiary education qualifications in the study area. It may be stated on this basis that most respondents who were engaged in the small scale enterprises in Kano state were educated and with different academic qualifications. This may be significant in sustaining the life span of the business.

The religious affiliations of the respondents showed that most respondents (55.0%) were Muslims. Other religions available in the study area were African traditional religion (20.0%), and Christianity (22.0%). Similarly, 3.0% of the respondents had no religious affiliation. This further suggests that in Kano there are multiplicities of religions as people had freedom to associate with their desired religions.

TABLE 4.1.1A: DISTRIBUTION OF RESPONDENTS BY SOCIO-ECONOMIC AND DEMOGRAPHIC CHARACTERSTICS

Sex	Frequency	Percentage
Male	128	64.0
Female	72	36.0
Total	200	100.0
Age range	Frequency	Percentage
Less than 16 years	8	4.0
16-20	10	5.0
21-25	16	8.0
26-30	43	21.5
31-35	33	16.5
36-40	32	16.0
41-45	28	14.0
46-50	16	8.0
51 and above	14	7.0
Total	200	100.0
Marital status	Frequency	Percentage

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Married	104	52.0
Single	53	26.6
Divorced	26	13.0
Separated	17	8.5
Total	200	100.0
Education	Frequency	Percentage
No education	48	24.0
Primary school	36	18.0
Post primary	51	25.5
OND/NCE	45	22.5
HND/B.Sc	14	7.0
Post graduate	6	3.0
Total	200	100.0
Religious affiliation	Frequency	Percentage
African traditional religion	40	20.0
Islam	110	55.0
Christianity	44	22.0
No religious affiliation	6	3.0
Total	200	100.0
Monthly income	Frequency	Percentage
Less than N5,000	14	7.0
N5,001- 10,000	34	17.0
N10,001- 15,000	21	10.5
N15,001- 20,000	29	14.5
N20,001- 25,000	32	16.0
N25,001-30,000	15	7.5
N30, 001- 35,000	25	12.5
N35,001- 40,000	14	7.0
N40,001and above	16	8.0
Total	200	100.0
Ethnic origin	Frequency	Percentage
Hausa/Fulani	103	51.5
Yoruba	34	17.0
Igbo	51	25.5
Other ethnic group	12	6.0
Total	200	100.0

Source: Field Survey, 2013

The analysis of income distribution showed that34.5% of the respondents earned monthly income that was either less than or equal to N15,000, while38.0%earnedless than or equal to N30,000 monthly income. Also, 19.5% of the respondents were under N40,000 monthly income and8.0% earned aboveN40,000. The implication of this finding is that there was no individual engaged in small scale enterprise in the study area that had no source of income. This may be vital in overcoming the problem of poverty especially in the northern Nigeria where there is high scourge of absolute poverty. The ethnic affiliation of the respondents showed that most of the research participants (51.5%) were Hausa/Fulani origin. There were other ether ethnic groups in the study area and this included Yoruba (17.0%) and Igbo (25.5%). Other ethnic origins (6.0%) such as Igala, Nupe, Bini, andIjaw/Itshekiri to mention a few were also represented in the study. This means that the city of Kano is a composition of people with different ethnic origins and which should suggest peaceful coexistence.

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4.4 SOURCES OF CAPITAL IN FINANCING SMALL SCALE ENTERPRISES

The continue survival of any business enterprise depends so much on the availability of capital funding to expand and remain stable. Previous studies have shown that many businesses die or wind up today because of bankruptcy, inadequate funding or mismanagement as the case may be (CBN/World Bank 1999; Akintunde and Amaehula, 2005).This study showed the main source(s) of funding to small scale business and its contribution for sustainability.

TABLE 4.4.1B: Distribution of Respondents by Sources of Capital in Small Scale Enterprises

The sources of capital to small scale enterprises	Frequency	Percentage
Family source	54	27.0
Personal source	102	51.0
Friends	12	6.0
Cooperative society	14	7.0
Government aids	18	9.0
Total	200	100.0
There is stable source of funding in small scale business	Frequency	Percentage
Yes	141	70.5
No	59	29.5
Total	200	100.0
Profit in the small scale business has expanded its size	Frequency	Percentage
Yes	145	72.5
No	55	27.5
Total	200	100.0
There is access to loan	Frequency	Percentage
Yes	103	51.5
No	97	48.5
Total	200	100.0
Traders' perception on the future of the business	Frequency	Percentage
Positive	98	49.0
Indifferent	59	29.5
Negative	43	21.5
Total	200	100.0

Source: Field Survey, 2013

The table 4.4.1 showed that there are different sources of financing small scale business. Respondents in the study area identified family source (27.0%), personal source (51.0%) and friends (6.0%) as means to raise finances for their businesses. Cooperative society fund (7.0%) and government aids (9.0%) were also important sources to generate capital fund in financing small scale business. However, the opinions of a small scale trader who specialized in animal skin were vital when he said:

> I have always sourced for my capital to start this business. I have approached banks on several occasions to borrow money. They have disappointed me time without number. Banks are not ready to lend money to small scale traders. Besides, the collateral for borrowing in banks is

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> unbearable. This is not helping the growth of small scale traders. We pray something should be done by government at all levels to facilitate the sustainability of small scale enterprises (IDI/small scale trader/Sabon gari/kano/2013).

The implication of the views expressed above is multifaceted. It may be said that small scale traders continued to face the challenge of funding either to start the intending business idea or expand the existing business area. It may further be revealed that many small scale traders are faced with possibilities of closing up their businesses due to inadequate source of funding the enterprises. Finally, the financing of small scale business through personal means is inadequate, yet other viable alternatives are not sustainable to keep the growth of the business. Nevertheless, 70.5% of the respondents said they had stable source of funding their small scale enterprises, while 29.5% declined that there was stable source of financing. At the level of profit making, 72.5% of the respondents said they had profit level that was reasonable to expand their business. There were 27.5%of the respondents who said that the profit in their business was not reasonable enough for business expansion. As the case may be, it may be stated that most small scale traders in the study area had profits making that could still keep them remain in the business.

Furthermore, 51.5% of the respondents said they had access to loan facilities, while 48.5% depended on their personal funding in the small scale enterprises. The perception of small scale traders on the future of their business showed that49.0%expressed positive future and continuous existence of their business. Yet, 21.5% of the respondents expressed negative feelings about the future of small scale enterprises. This view is further understood when a female trader who specialized in selling food in a designated canteen said in her opinion:

> I am afraid about the future of my business. There is no stable electricity to preserve fish and meat stock. I depend on electric generator to source my power. Yet, PHCN brings exorbitant bills which do not commensurate with the value of the services rendered. Government will bring their tax bill despite non provision of infrastructure such as shops, security and loans. I pray that things should change for better in this country (IDI/small scale trader/Sabon gari/kano/2013).

The indication of the expression above shows that there is a lot to be done to sustain small scale trading especially in the study area. There is no doubt to say that the future of small scale business is positive as to empower people and overcome the scourge of poverty. Nevertheless, there is need to make the sector attractive and sustainable.

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4.5 THE ROLE OF GOVERNMENT IN SUSTAINING SMALL SCALE ENTERPRISES

The idea to promote small scale enterprises was borne out of the need to empower people and eradicate poverty in Nigeria. It is no gain say the fact that Nigeria is rated among the countries in the World that has one of the highest rates of absolute and relative poverty (UNDP Human Development Report 2003; National Bureau of Statistics, 2006). Therefore, government action in this area will remain vital to either reduce or eradicate poverty that has affected more than three quarter of the Nigerian population.

TABLE 4.5.1: Distribution of Respondents Views by the Role of Government in Small Scale Enterprises

I have knowledge of NAPEP	Frequency	Percentage
Yes	116	58.0
No	84	42.0
Total	200	100.0
I have benefitted from NAPEP	Frequency	Percentage
Yes	55	27.5
No	145	72.5
Total	200	100.0
Government has done well in promoting small scale enterprise	Frequency	Percentage
Yes	120	60.0
No	80	40.0
Total	200	100.0

Source: Field Survey, 2013

The results of the findings in table4.5.1 showed that 58.0% of the respondents had had the knowledge of National Poverty Eradication Programme (NAPEP) as a government establishment to eradicate poverty in Nigeria. There were42.0% of the respondents who said they know nothing about NAPEP as government agency for poverty eradication. Most importantly, when respondents were asked about the benefits they derived from NAPEP, 27.5% said they had benefitted, while most respondents (72.5%) declined that NEPEP was beneficial to them. In this analysis, a female respondent who had benefitted from NAPEP was glad when she said:

> Many thanks to NAPEP, because I have benefitted in the area of skill acquisition. As you can see, I am a trained tailor. I was given a take-off capital by NAPEP to acquire tools and machine that kept me viable to provide for my family. Now there are customers that patronize my shop. I am a married woman with children. I can feed myself and my children. I am happy (IDI/small scale trader/sabon gari market/kano).

On this note, it may be said that some people have benefitted from the services of NAPEP and this contributed significantly to their economic empowerment. However, the fact that most respondents said they have not gained any benefits from NAPEP suggests

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low coverage of the programme in eradicating poverty among people. Therefore, it is until when poverty eradication policy covers large proportion of people that may help define its effectiveness. Put simply, government may have to intensify effort to ensure the eradication of poverty.

In addition, 60.0% of the respondents were of the views that government has done well in promoting small scale enterprises. On the other hand, 40.0% of the respondents declined that the effort of government is commendable at enhancing the growth of small scale enterprise. In analyzing the contribution of government at promoting small scale enterprise, respondents identified the provision of loan (19.0%), building of market centres (5.6%), security (10.0%), and construction of roads (23.6%). This was to demonstrate that the role of government is commendable. However, there is need to intensify the contribution of government that it will affect most traders and participants engaged in the sector.

CONCLUSION AND RECOMMENDATION

Small scale enterprises remained one of the major ways of combating poverty in Nigeria. Nevertheless, the growth of this sector remained a bothering issue in the future to come. This sector is threatened by low government investment, incentives, security, infrastructural development, accessible road networks and soft loans among many others. As a way forward, this study recommended the following

1. Small scale enterprises empowered traders at Sabon-Gari market in Kano State to meet their daily needs for basic necessities of live. Yet these traders were confronted with multiple taxations which depleted their profit and benefits. It is recommended that government should review tax regime to accommodate the interest of small scale traders.
2. It is strongly recommended that NAPEP and other relevant government agencies saddled with similar responsibility should be empowered to grant loans to viable small enterprises.
3. Infrastructure development is vital in the growth of small scale business. Findings showed that many traders complained about poor electricity supply and arbitrary charges of bills. This increased cost of services in the business and a factor that significantly affected the level of profitability. It is recommended that government

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should address the problem of power supplies in Nigeria once and for all. This requires political will to remove the monster that has threatened power sector for many years. Therefore, until the infrastructure base of electricity remains stable in Nigeria, there may be no meaningful success derived from any rational action (e.g. small scale enterprise) at stemming the spate of poverty.

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