
Repositioning the Small and Medium Scale Enterprises (SMEs) In Imo State for Peace, Capacity, and National Development

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Abstract

The Small and Medium Scale Enterprises (SMEs) operations in Imo State, Nigeria have not met desired results that necessitated the encouragement of their establishment, sustenance, growth, and development by the government and other key players. This is because the number that die within their first five years of existence surpass the number that survive within the same period, with wide margin. This has sent negative signal to the economy, especially in the areas of employment generation, economies of scale, facilities provision, state of peace, and so on. This paper therefore focused on the need to reposition the method and strategies adopted by the government (particularly, Imo State) to encourage the operations of the sub-sector in society. The paper adopted a stratified random sampling technique, and was limited to 225 selected SMEs in Imo State. Data collected were presented using tables, analyzed using non-parametric simple percentages, while z-test statistical technique was employed to confirm stated hypotheses. A total of 200 questionnaires were properly filled, returned and therefore used for the analyses. The findings revealed, among other things, that SMEs are truly the engine that drives the economic growth and development of any economy, and panacea for Imo State, cum Nigeria's economic woes and prevailing circumstances. It was recommended, inter-alia, that government should over-haul the structure of existing funding institutions and supervising agencies of the SMEs to achieve its aims and objectives within the sub-sector.

The economic crisis that resulted from the falling of crude oil prices convinced the country of the vulnerability and risk of its economy over depending on oil as a major source of revenue (Situmbeko, 1997). The need to broaden the country's economic base away from over-dependent on oil as well as the necessity of tapping other productive potentials now arose. The success story recorded by most developed countries of the world, such as some countries in Europe, America, and Asia, shifted government's emphasis to the growth of small and medium scale enterprises (SMEs) as means of reducing the incidences of poverty, unemployment, and youth restiveness in the country (Agwu, and Emeti, 2014). The Structural Adjustment Programme (SAP) was then introduced in 1986, among other things, to pursue a decisive shift from grandiose, capital intensive and large scale industrial projects, based on import substitution to small scale industries with immense potentials for developing domestic linkages for sustainable industrial development (Situmbeko, 1997). Consequently, a small and medium scale project implementation programme was launched in 1992 to ensure successful implementation of the objectives of SAP. However, the report of the programme after its lifespan in 1995 was unsatisfactory (Situmbeko, 1997). Other laudable programmes such as the Poverty Alleviation Programme (PAP), Poverty Reduction Strategy Paper (PRSP), National Poverty Eradication Programme (NAPEP), etc of successive administrations to arrest the problem have all failed, as well as their various complementary funds and monitoring institutions such as the National Economic Reconstruction Fund (NERFUND), the Nigerian Bank for Commerce and Industry (NBC), and the Nigerian Industrial Development Bank (NIDB), (Uzowuihe, Dike and Oparanozie, 2013).

Though the Nigerian Bank of Industry (NBI), the Small and Medium Scale Development Agency of Nigeria (SMEDAN), and the Youth Enterprise-with-Innovation in Nigeria (YOUWIN) currently in place to champion the same cause are still on, SMEs in Nigeria are yet to play the expected vibrant and vital role in the economic growth and development of the country, (Oyedijo, 2013). The percentage of Nigerians living in abject poverty is 70 (Onugu, 2005).

This situation has its wider implication on consumer purchasing power, the state of internal security, crime rate and the social and political stability of the country. A case in point is the present menace of Boko-Haram insurgency in the North East of the Country (Shaibu, Barinem, and Anyanwu, 2013). Corroborating this view, Agwu and Emeti (2014) posited that the situation has gravitated lots of research interest, as government seems to be at the cross roads, given the role of the sub-sector in boosting capacity, enhancing employment and facilitating national development.

Many SMEs exist in Imo state, but the high rate of unemployment (30%) in a population of 4,800,000 persons suggested that these SMEs are experiencing some major challenges that are negatively affecting their performances. It is against this backdrop that a discussion of their repositioning to engender peace, enhance capacity, and facilitate national development became imperative.

Several reasons adduced to the failure of the SMEs ranges from harsh government policies, poor capital, poor infrastructure, lack of managerial skill, to lack of good record keeping system (Oko, and Uzoka, 2012); Ngobiri and Uchegbu, (2013).

Based on their characteristics, SMEs are in the most vantage position for employment generation, and promotion of entrepreneurial capacity at the local level (Agwu, and Emeti, 2014).

Statement of the Problem

Most SMEs in Nigeria die within their first five years of existence, a smaller percentage go into extinction between the sixth and tenth year, while only about five to ten percent survive, thrive and grow to maturity, (Aremu and Adeyemi, 2011). This leads to unemployment, loss of revenue to government, infrastructural degradation, and vices of all sorts including armed robbery, rape, kidnapping, etc. (Ekomaru and Okwulehie, 2013). Most of the problems of the SMEs are external to it, other are internal (Onugu, 2005). These views were corroborated by Ngobiri and Uchegbu (2013); they equally pointed out that SMEs in Nigeria find it difficult to access funds made available by government from all the supervising institutions and agencies due, largely, to stringent conditions attached, as well as lack of transparency and poor management practice on the part of operators of some SMEs.

It should be strongly noted that SMEs in Imo state are not immune from the aforementioned challenges in their day-to-day operations, hence the need to embark on a study of this nature.

Research Objectives

The general objective of this paper is to determine whether adoption of new strategies and methods in the promotion of SMEs in Imo state by government would enhance operations in the sub-sector of the economy.

Specifically, the study tends to establish whether employment of better strategies towards the implementation of existing policies and programmes of government on development of SMEs in Imo state (in the form of repositioning) would:

- Improve capacity of SMEs operations in the state;
- Engender peace within the state; and
- Facilitate national development.

Research Questions

From the above research objectives, the following research questions were formulated:

- To what extent would repositioning of government's strategies and methods in the promotion of SMEs in Imo state enhance capacity of operations in the sub-sector?
- To what extent would repositioning of government's strategies and methods in the promotion of SMEs in Imo state engender peace?
- To what extent would repositioning of government's strategies and methods in the promotion of SMEs in Imo state facilitate national development?

Research Hypotheses

In view of the foregoing, the following null hypotheses were formulated to be tested at 0.05 significance level:

Ho₁: Repositioning of government's strategies and methods in the promotion of SMEs in Imo state would not significantly enhance capacity of operations in the sub-sector.

Ho₂: Repositioning of government's strategies and methods in the promotion of SMEs in Imo state would not significantly engender peace.

Ho₃: Repositioning of government's strategies and methods in the promotion of SMEs in Imo state would not significantly facilitate national development.

Review of Related Literature

The concept of small and medium scale enterprises (SMEs) has no universally accepted definition, (Ngobiri and Uchegbu, 2013). This is because no single definition can capture all the definitions of 'Micro', 'Small', 'Medium', or 'Large', and no single definition is expected to reflect the differences between firms, sectors, or countries at different levels of development, (Ilo, 1997). The definition of SMEs therefore varies from one organization or the other and from country to country. However, a number of criteria that have been used to define the concept include number of people employed by the enterprise, capital size, ownership and management structure of the enterprise, annual sales volume, corporate assets, number of sites or share of market, nature of business, even volume of bank deposit, (Odeyemi, 2012); (Ngobiri and Uchegbu 2013); (Onaolapo and Adagbite, 2014); and (Agwu and Emeti, 2014).

The European Union (EU) defined an SME as an enterprise which has less than 250 employees; has either an annual turnover not exceeding ECU 40 Million, or annual balance sheet total not exceeding ECU 27 Million; is less than 25% owned by non SME, (Starkey, 1998). This definition, Gerstenfeld & Roberts (2000) noted, was broken down in terms of number of employees by the EU thus:

Type of Enterprise	Size of Employee
Micro	1 to 9
Small	10 to 49
Medium	50 to 249

In Nigeria, the National Conference on Industries (NCI, 2001); and Ngobiri & Uchegbu, (2013) bought this view. The latter added that:

- ❖ Micro Cottage Industries are those industries whose total cost including working capital but excluding cost of land is not more than N1 Million, and a labour size of not more than 10 workers;
- ❖ Small scale Industries are those industries whose total cost, including working capital but excluding cost of land is N1 Million but not more than N40 million and a workforce of between 11 and 35 workers;
- ❖ Medium scale industries are industries whose total cost, including working capital but excluding cost of land is over N41 million but not more than N150 million and a labour size of between 36 to 100 workers;
- ❖ Large scale industries are industries whose total cost including working capital and excluding land is higher than N150million with a labour size of over 100 workers.

This, slightly differs from the official definition of SMEs by the Small and Medium Enterprises Development Agency of Nigeria, (SMEDAN, 2003) which defined an SME as follows;

a. Micro enterprises as enterprises with assets not more than N1.5 million (excluding land) and employing not more than 100 people.

b. Medium enterprises as enterprises with assets of not more than N200 million and employing not more than 300 people.

Ngobiri and Uchegbu (2013) reported also that the Central Bank of Nigeria (CBN), defined SMEs according to assets base and number of people employed. The criteria are an asset base of between N5 million and N500million, and staff strength of between 11 and 300 people.

The National Economic Reconstruction Fund (NERFUND) set a maximum limit for small scale industries at N10million, (Odeyemi, 2012); while section 37b (2) of the companies and Allied Matters Decree (CAMD) 1990, defined a small scale company as one with:

a. an annual turnover of not more than N2 million

b. net asset value of not more than N1million.

In Imo State, SMEs are heterogeneous in nature and they include variety of firms such as restaurants, pure water, soap and detergents, wood works, leather products, textiles, computer software, tailoring & fashion designing, printing press, fabrication, cassava processing, block making, and consultancy. These firms, Yahaya, Osemene and Salman (2011), pointed out, possess different sophistications and skills, and that they operate in different markets and social environments.

As has been observed from the foregoing, there is no consensus on the real definition of the concept as it can be seen that both terms, small and medium, are relative and differ from industry to industry, country to country and over time within counties. The difference amongst industries could be seen to be the difference in capital requirements of each business, which those among countries could arise as a result of difference in industrial organization by countries at different stages of economic development. What might therefore be defined as SME in a developed country can be regarded as a large scale enterprise in a developing country using partners as fixed investment and employment of the labour force. It is important to also recognize that definitions change over time and hence, even in developing countries, what was previously classified as large scale industry could be regarded as small or medium scale enterprise in the future. For purposes of this research however, the definition of the National conference on Industries (NCI) is adopted, i.e. small and medium scale enterprises are enterprises with capital outlay of N1 million to N150 million, and workforce of 11 to 100. The definition covers the situation in Imo State; although the CBN definition is most appropriate to the current economic situation in Nigeria which is characterized by high operational costs as a result of the continuous depreciation of the naira, and the resultant inflationary impacts.

Characteristics of SMEs in Nigeria

Ngobiri and Uchegbu (2013) addressed the features of the SMEs in Nigeria as follow:

- They exist mainly in the form of sole proprietorship and partnership, although some are registered as limited liability companies;
- Management structure is simple and allows for easy decision making as there is generally no separation of ownership from control
- Inefficient management and poor record/book keeping and accounting records
- Majority of them are labour intensive, requiring more human capital per unit of production. Agwu and Emeti, (2010) corroborated this view. They added that the SMEs in Nigeria are generally classified into commerce, agricultural, and industrial categories.

Olokoyo (1999) in Ekwem (2011) made the following additions:

- *Local Operation:* The employers and employees often live in the community in which the business is located. This does not mean however, that all small firms serve only local markets, some go beyond their areas of operation by seeking outlets for their products or services in other parts of the country, or even export.
- *Capital Requirement:* The amount of capital required is relatively small compared to that required by bigger firms. The capital required is supplied by one or at most by a few individuals, e.g. friends, relations and so on.

Ekwem (2011) maintained that other characteristics of SMEs include simple organizational structure; lack of specialized managers; owner knows his/her employees (better industrial relationship); high percentage of business failures; few employees; long and short term capital being difficult to obtain; freedom of action, easy adaptation to local needs etc.

Odeyemi (2012) however observed that SMEs start typically with an ownership structure of sole proprietorship, but that in the recent past, this orientation has noticed significant changes, partly as a result of the indigenization decree of '70s and partly as a consequence to better exposure and enlightenment. He opined among other things, that the SMEs are characterized by highly centralized management and administration, often built around the owner of the business, which is also perhaps, why they are found to have a high mortality rate.

Roles of SMEs in Nigeria

On the roles of SMEs in Nigeria, Situmbeko (1997); Gude (2010); Ngobiri and Uchegbu (2013); and Agwu & Emeti, (2014) pointed out that poverty reduction or alleviation and employment creation are the main focus of economies like Nigeria; and that these issues are usually addressed through the planned development of small and medium scale enterprises.

Based on this, Lalkaka (1997) in Agwu & Emeti (2014) noted that SMEs are the engine of economic growth of any country. To him, SMEs are labour intensive and capital saving. Situmbeko (1997) addressed the importance of SMEs thus; SMEs are tools for employment generation, and for: addition of value in terms of Gross Domestic Product (GDP) and national income (NI), foreign exchange, capital investment, tax contribution, inculcation of export culture and adoption of technology, improvement of

infrastructure/standard of living. Udechukwu, (2003); Anyanwu, (2003); Ekwem, (2011); and Agwu & Emeti (2014) agreed to the fore-going. The latter however opined that SMEs are key to poverty alleviation and sustainable development.

Expatriating this view, Ekwem (2011) observed that SMEs played greater role in placing the developed countries to the enviable heights they occupy this day in the world economies. He noted that for example, 98% of the industrial fabric in Portugal is composed of SMEs; while 81% of all employment in Japan is in SMEs, 59% in Canada, 46% in the U. S, 90% in Pakistan (and that the activities of the SMEs account for 46% of that country's Gross Domestic Product, GDP). He also observed that SMEs activities share 40% of China's GDP, and has helped place China into the fore-front of leading economies of the world.

According to him, African countries have started to feel the impact of SMEs; for instance, SMEs account for 18% in Kenya's GDP and 20% in Senegal; and that 46% and 55% of all jobs in Morocco and South Africa respectively are in the SMEs.

Going by this view, Kombo (2011), submitted that SMEs have contributed greatly in the growth of Kenyan economy, accounting for 12-18% of GDP through creating employment opportunities, training entrepreneurs, generating income, and providing a source of livelihood for the majority of low income households in the country.

Aruwa (2005) believed that Nigeria's industrial sector is dominated by SME's which accounts for 90% in terms of number of enterprises, as compared with other developed countries.

Oyeyinka (2008) stressed that though the industrial sector is dominated by SMEs, but that they contribute only 1% to GDP of the nation.

On other developing economies, Fissaeha (1991) stated that SMEs employ 22% of the adult population in developing countries, while Fabayo (1989) observed that small firms are major source of employment opportunities for a wide cross-section of the workforce.

Given the place occupied by the SMEs in Nigeria's industrial sector, it is expected that the success of Nigerian economy would be partly dependent on the success of the SMEs. Thus a consideration of the various challenges of the SMEs here becomes sacrosanct

However, it is necessary to first examine government's policy objectives on development of the sub-sector in Nigeria, given the aforementioned pivotal roles SMEs play in the growth and development of any economy.

Objectives of Government on Development of SMEs in Nigeria

According to Situmbeko (1997), the need to broaden the country's economic base away from over-dependence on oil as well as the necessity of tapping other productive potentials informed the need by government to develop SMEs in Nigeria.

Agwu & Emeti (2014) corroborated this and added that development initiative coupled with the success story of most developed countries that resulted from encouragement of the growth of SMEs in their various domains, gave impetus to governments' interest on SMEs in Nigeria. Consequently, government set the following

aims and objectives to encourage the survival, growth, development, and sustenance of the subsector:

- Creation of a conducive operating environment for macro, small and medium enterprises' activities;
- To help these SMEs overcome their endogenous weakness;
- To stimulate/foster competitiveness globally and on the aggregate, help Nigeria macro, small and medium scale enterprises achieve their efforts (Ngobiri & Uchegbu, 2013).

Others are;

- Reduction of incidence of poverty & unemployment in the country;
- Broadening the country's economic base away from over dependence on oil;
- Tapping abundant productive potentials (Situmbeko; 1997; Agwu & Emeti, 2014).

Given the foregoing objectives which stem from the vital roles of the SMEs in economic development of the nation, it however becomes important to examine hereunder government's efforts thus far (inform of policies and programmes) at enhancing SMEs operations in the country.

Government Efforts at Developing SMEs in Nigeria

In recognition of the crucial roles played by SMEs with respect to economic growth and development, successive governments had various initiatives aimed at promoting the welfare of SMEs in the country. Some of the institutions, agencies, schemes, policies and programmes, and opportunities created by governments, according to Ekwem (2011), to enable SMEs among other things sustain their existence in the past 40 years include the establishment of the following:

- Mandatory guidelines in 1970, in respect of SMEs;
- Small scale industries Credit Guarantee Scheme (SSICGS) in 1971;
- In 1973, of the Agricultural Credit Guarantee Scheme (ACGS);
- In 1973, of the Nigerian Bank for Commerce and Industry (NBCI)
- In 1977, the Rural Banking Scheme (RBS);
- In 1985 and 1990 respectively, the World Bank Assisted SME I & SME II;
- In 1985, the second tier security market;
- In 1988, the African Development Bank- Export stimulation loan scheme (ADB-ESLS);
- In 1989, the people's Bank;
- In 1992; the National Economic Reconstruction Fund (NERFUND);
- In 1992, the small & medium scale Enterprises loan scheme (SMSELS);
- In 2001, Bank of Industry (BOI) - being merger of NIDB, NBCI and NERFUND;
- In 2002, Nigerian Agricultural co-operative & Rural Development Bank (NACRDB), - being merger of NACB, peoples Bank (PB) and the family Economic Advancement Programme (FEAP);

- Micro Finance Banks
- In 2010, Small & Medium Enterprise Credit Guarantee Scheme (SME CGS) for SMEs.

Onugu (2005) added the following:

- Giving priority attention to rural urban water supply nationwide;
 - Granting appreciate investments in power generation, implementation of an emergency power programme (EPP), encouragement of the establishment of commercial power plant and focusing on transmission, distribution & rural electrification;
 - Establishment of anti-corruption bodies such as EFCC & ICPC;
 - Road construction and rehabilitation and the establishment of a road maintenance agency, FERMA;
 - Provision of N50 billion for the take off of the Bank of Industry;
- Oko & Uzoka (2012) also added:

- Enactment of the pension act, to serve as an additional source of revenue to SMEs operators;
- Implementation of the Small & Medium Industries Equity Investments Scheme (SMIEIS) which requires banks to set aside 10% of their profit before tax to improve availability of funding for SMEs;

However, Aremu (2004); Onugu (2005), Ekwem (2011); Oko and Uzoka (2012); and Agwu and Emeti (2014) noted that inspite of the above efforts, not much benefits have been substantially realized. They however regretted that the SMEs have had an unimpressive performance in employment generation in recent years, and that the situation has generated a lot of research interests on their challenges and prospects in Nigeria.

Corroborating this, Oyeyinka (2008) stressed that though the Nigerian industrial sector is dominated by SMEs, but that they contribute only 1% of total GDP of the nation, compared to countries in Asia, Europe, and America that have their SMEs accounting 40%, 50%, and 50% respectively. He maintained further that encouragement of the growth of the sub-sector was a thought in the right direction but that much still needed to be done to promote the activities of SMEs

Government on its own, blames the failure on the part of the SMEs themselves. For example, SMEDAN (2014) stressed that SMEs in Nigeria fail because they lack structures, partnerships and basic skills; most of them believe so much in themselves; that they do not entertain partnerships from proper structures before starting their businesses; more so they do not get funds from financial institutions because of poor written proposals and myopic presentation of their businesses. This means that a lot more needs to be done, including a paradigm shift in the focus and implementation of policies and programmes.

Having considered government efforts at developing the SMEs sub-sector due largely to its important roles in the economy, it behooves the researchers to articulate what experts generally find as the bane of the SMEs. It should be strongly pointed out that the afore-stated objectives of government toward SMEs and the related efforts

covered SMEs in Imo State as well. Similarly, the SMEs in the state are not immune from the challenges to be articulated hereunder.

Problems of the SMEs in Nigeria

Ngobiri & Uchehgbu (2013) classified the problems and challenges of the SMEs in Nigeria into 3 categories, namely finance; working capital; and others.

Finance: To them, this problem has been to what extent or degree have SMEs been able to access funds from all those agencies and institutional funding. According to Babajide (2002) in Ngobiri & Uchehgbu (2013), one major factor identified for inhibiting the accessibility of funds by the SMEs is stringent conditions attached in loan accessibility; especially the issue of collateral security and long delays in processing and approving the request. Apart from that, Ngobiri & Uchehgbu (2013) pointed out that the SMEs on their own possess poor financial management practices and lack financial transparency due largely to ownership structure; and poor educational background. Other related problems in this category, according to them, include poor feasibility studies that could lead to the denial of the loan, cost of accessing these funds which, are usually very high thus limiting the ability of the SMEs to access the funds; high interest charges that take a lot of toll in their working capital and creates additional problems to the SMEs; and activities of promoters of SMEs who, they maintained, are at times unable or unwilling to provide sufficient information to accelerate the processing of their financing requests.

Working Capital Problem: The incidence of inadequate working capital, which constrains productive capabilities of SMEs as well as absence of succession plan in the event of death of the proprietor, leads, in many cases, to frequent early demise of SMEs (Ekwem, 2011). The most challenging problem of all is sourcing and management of working capital, (Ngobiri & Uchehgbu, 2013). According to them, no matter the amount spent on other assets, particularly fixed assets, if the ingredients required for production are not effectively managed, the entire commitment to the profit will become a waste. They further noted that without working capital, establishments cease to become a going concern and therefore suggested that the most effective ways of managing working capital is to unlock internal cash by maintaining enough liquidity in the system; maintaining an effective operating business cycle to free up cash; and maintaining restricted and short and medium term outlays.

Other Problems: On this, Ekpeyong & Nyang (1992); Onugu (2005); Ogechukwu (2006); Fatai (2011), and others listed problems such as lack of planning, inimical government regulations, poor marketing strategies, lack of technical know-how, lack of skills and experience, poor state of infrastructure, low performance of public utilities etc.

Onugu (2005) classified the problems into external and internal and posited that some of the challenges of SMEs are induced by the operating environment such as government policies, globalization effects, activities of the financial institutions etc, others are a function of the nature and character of SMEs themselves.

Many banks have blamed their inability to fund SMEs on the poor state of infrastructure, economic climate and low performance of public utilities such as

electricity and water (Olarenwaju, 2001), in Ngobiri & Uchegbu (2013). About this problem, Omolola (2008), in Ekwem (2011) stated that the cost of providing infrastructural facility by SMEs themselves constitutes about 30-35% of establishing a manufacturing enterprise in Nigeria.

However, Ngobiri and Uchegbu (2013) opined that the most critical of all the problems is power problem.

Apart from the above mentioned problems and their negative implications on SMEs operations, Laughlin & Gray (1999); Reed (2010); Okoh & Uzoka (2012); Onalapo & Adegbite (2014); Mbroh & Attom (2014); and others made mentioned that the greatest challenges that SMES face in their survival, growth, development and sustenance particularly in Nigeria is inefficient management which stems from absence of or poor knowledge of book-keeping and accounting practice. This, they maintain are the bane of the SMEs.

Concepts of Repositioning, Capacity Building, Peace, and National Development

Anyakoha (2006) in Ekomaru and Okwulehie (2013) noted that various independent estimates put the unemployment rate at more than 30% of the labour force in Nigeria. This is quite alarming; thus making repositioning inevitable. Repositioning therefore entails changing place or direction or arrangement of something or perception, (Roberts, 2011). For the objectives of the SMEs to be realized, there should be a paradigm shift in the focus, administration and implementation of existing policies and programmes, (Onugu, 2005). This means that new approach and strategies be considered by all the major actors in the pursuit of economic growth and development of the nation, particularly in the area of SMEs, given the fact that existing approaches have failed. Babalola (2010), buttressed this point, and further noted that in repositioning, sufficient attention ought to be paid to skill training, for the youth and adults given the prevailing situation. Orim, Olaiyi, and Ewa (2009) asserted that training in school is at variance with what labour market requires. This, according them, is because there is a mismatch between school training and the realities in productive life in the job seeking world. To them, the graduates concerned may not have been adequately trained by their institutions, to become employable or self-reliant in terms of starting their own small or medium scale business.

Ajayi (2002) associated development to a positive growth of a people's livelihood economically, politically, culturally, technologically, educationally and socially. Gude (2010) corroborated this, and however emphasized that development includes creation of conditions conducive to growth of people's self esteem through the establishment of social, political and economic systems and institutions that promote human dignity and respect; as well as increasing people's freedom to choose by enlarging the range of their choice variables, for example, increasing variables of consumer goods and services.

National development in the eyes of Uzowuihe, Dike and Oparanozie (2013), therefore entails the complete modernization of a society, the conversion of a peasant society into an industrial one, and it means a change in the whole way of life, in expectations and motivations and even in the physical environment and daily life itself.

Peace means freedom from disturbance; state of tranquillity, or a state or period in which there is no war or war has ended, (Roberts 2011). Poverty in Nigeria has many manifestations and dimension which include unemployment, (Anyakoha 2006). This unemployment, he maintained, has resulted to high incidences of various forms of social ills. There is no gain saying that the presence of all these vices in a state cum country would surely trigger off violence, absence of peace and economic down turn.

Materials and Methods

This research is limited to 225 randomly selected SME operators out of a pool of 525 duly registered with the Ministry of Commerce and Industry, Imo state. The sample size was drawn by identification using stratified random sampling technique. It is worthy to note that the number of SMEs in Imo state are far more than the number registered with the Ministry of Commerce and Industry. The reason adduced by officials of the ministry for the number lapse was that tax evasion and avoidance caused a large number of the firms not to register and identify themselves with the government. Aside that, most of the SMEs do not see the need for registration of business names with government, and the law is not too forceful about this. Hence, it is difficult to say with precision the number of SMEs that obtains with the state government. However, it is assumed that the response obtained from the respondents would be representative of the opinions of all SMEs in the state.

The study adopted a cross-sectional survey research design using the sample size. Data collected were presented using tables, analysed using non parametric simple percentages, while z-test statistical technique was used in confirming stated hypotheses. A total of 225 copies of the questionnaire were administered, 13 or 5.8% were not returned, while 12 or 5.3% of the returned ones were not properly filled. 200 or 88.9% were used for the analysis.

Results and Discussion

Distribution of Responses on Research Questions

Research Question 1

To what extent would repositioning of government's strategies and methods in the promotion of SMEs in Imo state enhance capacity of operations in the sub-sector?

Table 1 below shows that 148 i.e. 74% of the respondents were of the opinion that repositioning of government's actions towards the promotion of activities of SMEs in Imo state would improve existing capacity to a large extent, 45 or 22.5% of the respondents expressed a mild extent opinion, while 7 or 3.5% expressed a poor extent opinion. We therefore conclude that repositioning of government's strategies and methods in the promotion of SMEs in Imo state would improve existing capacity as evidenced by the 74% large extent response of the sample respondents. This conclusion is given credence by the observation of Orim, Olaiyi, and Ewa (2009); and Babalola (2010) in Shaibu, Barinem and Anyanwu (2013) that in repositioning, attention needs to be paid to training of the youth and adult for skills and capacity, to boost entrepreneurship prowells and enhance growth and development.

Table 1Response pattern on the extent to which repositioning of government’s strategies and methods in the promotion of SMEs in Imo state would improve existing capacity

Responses Provided	Number of Respondents	Percentage of Respondents
Large Extent	148	74
Mild Extent	45	22.5
Poor Extent	7	3.5
Total	200	100.0

Source: Field Survey, 2016

Research Question 2

To what extent would repositioning of government’s strategies and methods in the promotion of SMEs in Imo state engender peace?

From table 2 below, we discovered that a total of 96 i.e. 48% of the respondents were of the view that repositioning of government’s strategies and methods in the promotion of SMEs in Imo state would to a large extent engender peace within the state, 63 or 31.5% of the respondents expressed a mild extent opinion, while 41 or 20.5% of the respondents expressed a poor extent opinion. We thus conclude that repositioning of government’s strategies and methods in the promotion of SMEs in Imo state would, to a large extent, engender peace, as evidenced by the 48% large extent response of the sample respondents. This conclusion is supported by the observation of Anyakoha (2006) that poverty in Nigeria has many manifestations and dimensions which include unemployment; that has resulted in high incidences of various forms of social ills, such as armed robbery, rape, thuggery, assassination, etc, and youth restiveness.

Table 2Response pattern on the extent to which repositioning of government’s strategies and methods in the promotion of SMEs in Imo state would engender peace

Responses Provided	Number of Respondents	Percentage of Respondents
Large Extent	96	48
Mild Extent	63	31.5
Poor Extent	41	20.5
Total	200	100.0

Source: Field Survey, 2016

Research Question 3

To what extent would repositioning of government’s strategies and methods in the promotion of SMEs in Imo state facilitate national development?

Table 3 indicates that a total of 183 or 91.5% of the respondents were of the opinion that repositioning of government’s strategies and methods in the promotion of SMEs in Imo state would facilitate national development, 17 i.e. 8.5 of the respondents expressed a mild extent opinion, while none of the respondents had a poor extent opinion. We therefore conclude that repositioning of government’s strategies and methods in the promotion of SMEs in Imo state would to a large extent facilitate national development, as evidenced by the 91.5% large extent response of the sample

respondents. This is buttressed by Aremu (2004) that repositioning and promotion of SMEs in a developing economy like Nigeria would bring about great distribution to income and wealth, economic self-dependence, entrepreneurial development and a host of other positive economic uplifting factors.

Table 3 Response patterns on the extent to which repositioning of government's strategies and methods in the promotion of SMEs in Imo state would facilitate national development

Responses Provided	Number of Respondents	Percentage of Respondents
Large Extent	183	91.5
Mild Extent	17	8.5
Poor Extent	0	0
Total	200	100.0

Source: Field Survey, 2015

Test of Hypotheses

Test of First Hypothesis

Ho₁: Repositioning of government's strategies and methods in the promotion of SMEs in Imo state would not significantly enhance capacity of operations in the sub-sector.

As shown in Appendix II, Z calculated = 13.58, is greater than the Z tabulated, 1.96. Therefore, the null hypothesis is rejected while the alternative one is accepted. This shows that repositioning of government's strategies and methods in the promotion of SMEs in Imo state would to a large extent improve existing capacity.

Test of Second Hypothesis

Ho₂: Repositioning of government's strategies and methods in the promotion of SMEs in Imo state would not significantly engender peace

As shown in Appendix III, Z calculated, - 1.13 is less than the critical value, 1.96. The null hypothesis is therefore accepted. The implication of this revelation is that there is no significant relationship between repositioning of the SMEs in the state and engenderment of peace; level of development may have direct or inverse relationship with peace.

Test of Third Hypothesis

Ho₃: Repositioning of government's strategies and methods in the promotion of SMEs in Imo state would not significantly facilitate national development.

As shown in Appendix IV, Z calculated = 23.48, is greater than Z tabulated = 1.96. The null hypothesis is thus rejected, and the alternative one accepted. This shows that repositioning of government's strategies and methods in the promotion of SMEs in Imo state would promote national development.

Conclusion

Going by the observations and findings of this paper, it is quite evident that SMEs are truly the engine that drives the economic growth and development of any society, and a panacea for Imo state cum Nigeria's economic woes and their apparent consequences. The reason for the backwardness of the SMEs in the state and country is attributable to some factors which are internal and external to the operations of the SMEs sub-sector. If factors such as acute power supply, bad roads, multiple tax problems, shoddy implementation of programme, unskilled manpower, poor start-up capital, etc are promptly addressed, the story of lack of peace, unemployment, poor capacity, and infrastructural decadence would be at tolerable limits, and Nigeria would reclaim its position as true giant of Africa.

Recommendations

It was discovered that several efforts and measures evolved in the past by successive governments over the years to enhance the development of the SMEs sector in Nigeria yielded very poor results, when compared to what obtains in developed and other developing nations of the world that apply similar growth tool and strategy. Consequently, and to assist in this direction, it is recommended that:

❖ Government should overhaul the structure of the existing funding institutions and supervising agencies of the SMEs. The NBI set up to replace the failed NIDB and NBCI should study the factors that led to their failure and take steps to overcome such factors. Issues such as corruption in the administration of funds, lack of transparency, unnecessary delay in loan processing, stringent requirements, and poor repayment attitudes of beneficiaries are some of the factors to be looked into.

❖ Stringent conditions for fund assessment by SMEs operators should be curtailed to the barest minimum. To achieve maximum result in this aspect, traditional rulers of the beneficiaries may be put into the whole picture to reduce unnecessary bottle necks.

❖ Power and infrastructure are important to the operations of SMEs in the state and country. For that purpose, government should revamp the power sector and partner with the private sector in the provision of facilities such as road, good transport system, etc, in order to facilitate the operations of SMEs.

❖ On the issue of capacity building, government should liaise with other non-governmental organizations for regular training of potential and actual SME operators on entrepreneurial abilities and effective business management.

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APPENDICES
Appendix I
QUESTIONNAIRE

Research Question 1

To what extent would repositioning of government’s strategies and methods in the promotion of SMEs in Imo state enhance capacity of operations in the sub-sector?

S/N	ITEMS	LE	ME	PE
1	Most SMEs operators in Imo state lack basic education and this affects effective operation of their businesses.			
2	Government policies and programmes toward impartation of required knowledge and skills to SME operators are not usually matched with actions, and these have not helped matters in the development of the sub-sector.			
3	The major problem of government is not being able to implement its good policies and programmes in the SMEs sub-sector of the economy.			
4	Matching policies, programmes and strategies with action would improve condition in the SMEs sub-sector.			
5	Tax policies of government concerning SMEs operations in the state are not fully implemented and this has negatively affected their performance.			
6	Most of the SMEs in Imo state do not have access to credit facilities to boost working capital of their businesses.			
7	Most SMEs in Imo state do not have access to power supply to boost their business operations.			
8	Most SMEs in Imo state do not have access to feeder roads, portable water, and other facilities that could enhance operation of their businesses.			
9	SMEs in the state are not doing well partly because there are no enabling environment for them to strive.			
10	SMEs will do well if enabling laws, policies and programmes directed towards them are fully implemented.			

Research Question 2

To what extent would repositioning of government’s strategies and methods in the promotion of SMEs in Imo state engender peace?

S/N	ITEMS	LE	ME	PE
11	Unemployment situation in Imo state is at an alarming rate partly because SMEs in the state are not doing well.			
12	Adoption of new strategies towards promotion of activities of SMEs in Imo state would boost economic events within the state.			
13	Enhanced economic activities in the SME sub-sector of the state would create more jobs within the state.			
14	Job creation through improved SME operation in the state would help reduce crime because more people would be gainfully employed.			
15	These over-all activities in the state would help reduce all forms of restiveness.			

Research Question 3

To what extent would repositioning of government’s strategies and methods in the promotion of SMEs in Imo state facilitate national development?

S/N	ITEMS	LE	ME	PE
16	Smooth operations of SMEs in Imo state would boost economic activities in the state.			
17	Increased economic activities in Imo state via SME operations would facilitate expansion of local markets.			
18	Increased economic activities in the state via effective SMEs promotion and operation would increase income of the people, state, and the nation.			
19	Increased economic activities in Imo state via SMEs effective promotion and operation would increase GPD and spark-off growth of the state, cum nation.			
20	Increased economic activities in Imo state through SMEs would facilitate general well-being of the people.			

Appendix II

Computation of Calculated Z for the third Hypothesis

Ho₁: Repositioning of government’s strategies and methods in the promotion of SMEs in Imo state would not significantly enhance capacity of operations in the sub-sector.

From table 1 above, we have:

P = 148, 74% = 0.74, Po = 0.5, N = 200,

$$z = \frac{0.74 - 0.5}{\sqrt{\frac{0.5(1 - 0.5)}{200}}}$$

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$$\begin{aligned}
 &= \frac{14.14214}{0.25} \times 0.24 \\
 &= 0.96 \times 14.14214 \\
 \therefore \mathbf{z \text{ cal}} &= \mathbf{13.58}
 \end{aligned}$$

Appendix III

Computation of z for the fourth Hypothesis

Ho₂: Repositioning of government's strategies and methods in the promotion of SMEs in Imo state would not significantly engender peace.

From the table, we have:

$P = 96, 48\% = 0.48, P_o = 0.5, N = 200,$

$$\begin{aligned}
 z &= \frac{0.48 - 0.5}{\sqrt{\frac{0.5(1-0.5)}{200}}} \\
 &= \frac{-0.02}{\frac{0.25}{14.14214}} \\
 &= \frac{-0.02}{0.25} \times 14.14214 \\
 &= 0.08 \times 14.14214 \\
 \therefore \mathbf{z \text{ cal}} &= \mathbf{-1.1314}
 \end{aligned}$$

Appendix IV

Computation of calculated z for the fifth Hypothesis

Ho₃: Repositioning of government's strategies and methods in the promotion of SMEs in Imo state would not significantly facilitate national development.

From the table, we have:

$P = 183, 91.5\% = 0.915, P_o = 0.5, N = 200,$

$$\begin{aligned}
 z &= \frac{0.915 - 0.5}{\sqrt{\frac{0.5(1-0.5)}{200}}} \\
 &= \frac{0.415}{\frac{0.5(0.5)}{14.14214}} \\
 &= \frac{0.415}{0.25} \times 14.14214 \\
 &= 1.66 \times 14.14214 \\
 \therefore \mathbf{z \text{ cal}} &= \mathbf{23.48}
 \end{aligned}$$