



The contribution of small scale industries to the National Economy

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Accepted 20 August 2013

ABSTRACT

Micro and small scale enterprises have been accepted world wide as instrument of economic growth and development. No wonder governments, particularly in the developing countries have made tremendous efforts and established policies to enhance the capacity of micro and small scale business (SSIs). However, despite government institutional and policies support to enhancing the capacity of small and medium scale enterprises, small and medium scale businesses have fallen short of expectations. This, then, generated serious concern and skepticism on whether SSIs can contribute to economic growth and national developments in Nigeria. SSIs are faced with significant challenges that compromise their ability to function and to contribute optimally to the economy. This study examines the contribution of small scale industries to the national economy. Most business enterprises in Nigeria by classification are grouped under micro and small scale enterprises, hence, the scope of study. This study covers the Nigerian economy and its findings were based on data extracted from the Annual Abstract of Statistics (NBS publication) that was statistically analyzed. The growth of the National Economy of Nigeria depends on how vast the Small Scale Industries are in technology and in their ability to overcome the Nigerian factors that may rise against. The more Small Scale Industries (SSIs) we have the more employment created in the Nigeria economy system. In view of this, we recommend that government and other non-governmental organization should encourage small Scale Industries and this will make more people to go into Small Scale Industry and through this create more employment and thereby make life better for Nigerians. Organize seminars for potential and actual small scale industries operators on how important the contribution of the business is to economy growth of Nigeria.

Keywords: SSI, Contribution and Nigeria Economy.

INTRODUCTION

Perhaps, no other development strategy has enjoyed as much prominence in Nigeria's development plans as the Small Scale Industries (SSIs)

In recent years, particularly since the adoption of the economic reform programme in Nigeria in 1986, there has been a decisive switch of emphasis from the grandiose, capital intensive, large scale industrial project based on the philosophy of import substitution to micro and small scale enterprises with immense potentials for developing domestic linkages for rapid, sustainable industrial development.

There exist lots of business organization that are been engaged by individuals, group of people or association; industries and Government with the aim of maximizing profit. These business enterprises range from Small to Medium and from Medium to Large scale.

In the Nigerian economy, the small scale enterprise are the most common form of business; the aim of any economy (either industrialized or not) depends largely on how well managed the small scale industries are, for example; if we take a look at the standard practice of small scale industries in economically developed countries like United Kingdom, or United State of America, we find that they depend largely on the small scale industries to reach out to the people.

There is no specific criterion for classifying business enterprise as a small or medium or large globally. In a study carried out by the international labour organization (ILO 2005) over 50 definitions were identified by 50 deferent countries for small scale industries.

However in defining small scale industries, references are usually made to quantitative measures such as number of people employed by the enterprise, investment outlay, the annual sales turnover (sales) and the asset value of the enterprise or a combination of these measures.

At the moment in Nigeria, following the national council for industries (NCI, 2002), classification of small scale industry fall within the following categories of enterprise, if the enterprise has a capital of between N1.5 million and N50 million including working capital but not including the cost of land occupied or if the enterprise has workforce of between 10 – 50 employee.

Currently in Nigeria, small scale industries represent about 90% of the industrial sector in terms of enterprise; they also amount to about 70% of the national industrial development if the threshold is set at 10 – 70 employee and contributes 10% of the manufacturing sector output and a meager of 1% of gross domestic product; they also contribute significantly to economic development through employment, job creation and sustainable livelihood. (References)Governments have stepped up efforts to promote the development of SSIs through increased incentive schemes including enhanced budgetary allocation for technical assistance programmes. Also, new lending schemes and credit institutions such as New lending schemes and credit institutions such as the National Economic Reconstruction Fund (NERFUND), World Bank-assisted small-scale enterprises loan scheme (SMES), Nigeria Export and Import Bank (NEXIM), the people's Bank of Nigeria (PBN) and the Community have been established by the federal government for the purpose of assisting the SSIs to meet their finance needs. There have also been fiscal incentives, grants, bilateral and aids from multilateral agencies as well as specialized institutions towards making the small and micro business and apprenticeships schemes vibrant. It's of great concern that this vital sub- sector has fallen short of expectation. The situation is more disturbing and worrying when compared with what other developing and developed countries have able to achieve with their cottage businesses coupled with significant attention to apprenticeship training and employment generate. It has been shown that there is a high correlation between the degree of poverty, hunger, unemployment, and economic well being of the citizens of countries and the degree of vibrancy of the respective countries micro and small scale industries (SSIs). In spite of the fact that, micro and small scale industries (SSIs) have been regarded as the bulwark for employment generation and technological development in Nigeria, this subsector is faced with enormous challenges.

Statement of the Problem

Small and medium enterprises are mostly managed by owners and relations. The financing in most cases is normally provided by the owners. The owners fail to realize the importance of external source of capital in order affect expansion of the business. In most cases, the owners are members of the family and friends. In another development, small scale industries experiences difficulties in raising equity capital from the finance houses or individuals. Even when the finance house agrees to provide equity capital, the conditions are always dreadful. All these result to inadequate capital available to the sector and thus lead to poor financing. This is the ban of most cottage industries in Nigeria. About 80% of small and medium enterprises are stifled because of this problem of poor financing and other problems associated with it (Chukwuemeka, 2006). The problems that emanated from poor financing include:

- a) Lack of competent management which is the consequence of inability of owners to employ the services of experts.
- b) Use of obsolete equipment and methods of production because of owner's inability to access new technology.
- c) Excessive competition which resulted from sales which is a consequence of poor finance to cope with increased competition in the industry. In spite of the different measures since 1960 to increase industrialization, small medium enterprises are still facing hard conditions. This is as a result of some constraining factors. a) The high cost of available raw materials affects the prices of good food. This only has adverse effect on the turnover of the enterprise but also on the profitability. b) The availability of infrastructural facilities is grossly inadequate in the areas of access roads, electricity, water supply, etc.) Multiplicity of policies and regulatory measures such as removal of fuel subsidy, taxes, several charges on loan. In the light of the above, the paper appraises the contribution of small scale industries to economy of Nigeria and poses the following questions:- To what extent has the small scale industries contributed to the economy of Nigeria - Does the numbers of small scale industries has effects on employment in the Nigeria system?

Objectives of the study

The objectives of the studies are to:

1. To enlighten Nigerians on the contribution of small scale industries to the growth of the economy.
2. To encourage students to go into small scale industries upon graduation.
3. To encourage Nigerians to be their own boss and in the same way help eradicate poverty in Nigeria.
4. To encourage indigenization of industries.

Research Question

1. How does small scale industries contribute to national economy?
2. What is the average employment generated by small scale enterprise in Nigeria?
3. Is there any relationship between the number of small scale industries and employment generated? and
4. How strong is the relationship?

Literature Review

In Nigeria small scale industry is not prominently defined and it is not structurally established in the economy; the reason is attributed to the ambiguous concept of small scale enterprise. The definition of small scale industry in Nigeria is not static, but varied functionally within institutions with emphasis on the size of the investment rather than the number of employee. For example, the Nigerian Industrial Development Bank (NIDB) (2004) Defines small scale enterprise as an enterprise having an investment and working capital not exceeding N750, 000. (in words) In 1979, the Central Bank of Nigeria (CBN) in its credit guideline to banks define Small Scale Enterprise as an enterprise whose annual turnover is not exceeding N500, 000 , it is arguable whether the criteria can still hold today given the high cost of operation resulting from deregulation of foreign exchange and inflationary impact. However the Central Bank of Nigeria (CBN, 2005) as defined small scale industry as an industry whose (working capital including land cost)total investment does not exceed N2.5 million naira and whose annual turnover N12.5 million annually. This definition seems to have recognized the impact of inflation and exigencies.

The National Economic Reconstruction Fund (NERFUND) (2005) defines small scale industries as those industries whose fixed asset and cost of new investment does not exceed N10 million. In the new industrial policy in Nigeria, Small scale enterprise are defined as those enterprise the total investment of between N100, 000 and N2 million excluding the cost of capital and including working capital.

The Central Industrial Research and Development (CIRD, 2002) of Obafemi Awolowo University Ile-Ife, defines SSEs as an enterprise whose working capital is not exceeding N250, 000 and employing on full time basis 50 workers or less.

According to Wolfeson (2011), small scale industries are those industries with 10 – 50 employees; According to Aijebefun et al., (2003) defined small scale industry as a commercial outlet that has 50 or fewer employees. European Community (EC) defined small scale industry to promote competition and growth in the European community; the financial ceiling for qualification has risen tremendously while the staff strength still remains the same (10 – 50 staff). Kibera (1999) and Obonyo (1999), in Kenya viewed small scale enterprise as a business unit that employs between 10 – 50 persons. In Tanzania, Sido (1999) defines small scale enterprise as a business outlet with minimum of 9 and maximum of 49 workers.

Going by all literature reviewed; the definition of small scale industries yields meaning which varies from institution to institution and from country to country, depending on the level of employment, ownership structure, method of production etc. In Nigeria small scale enterprise has been extended to include Small, Medium and Micro enterprises (SMMEs) Eboh, 2004.

Structure of Ownership and Management of (SSIS) In Nigeria

Small scale industries are privately owned and are organized mainly as sole proprietorship, cooperative society, and a little of partnership and other forms of business. Most people that form the core of Small scale industries are predominantly illiterate and semi-illiterate; usually unschooled in the modern skills (NISER) 1987; however in recent times, there has been improvement in the educational background of small scale industrialist, more of the properties have secondary education the largest components of small scale industrial labour force are mainly family members accounting for over 50 percent employment in the industry, Carl and Donald, 1980.

there are thousands of enterprise in Nigeria which falls within the categories of small scale business, this include farming, fishing (primary producers) carpentry, tailoring, mechanic workshop, repair workshop, sawmill operators (secondary producers) hotel, restaurants, are characterized by simple management financing and production techniques; unlike large enterprise, which depends on financial cooperation of both their owner and lending institution , small scale business are largely financed by owners capital and in exceptional cases borrowing from friends (NISER, 1987).

Table 1. Structure of Industrial Establishment in Nigeria (%)

Activity	Size composition	Ownership structure			
	SSE'S	Sole proprietorship	Cooperative	partnership	Others
Agricultural forestry and fishing	43.4	—	—	—	—
Mining	29.7	40.3	47.0	6.0	6.7
Manufacturing	65.2	81.7	11.6	6.0	0.7
Electricity gas and water	25.0	15.3	29.6	4.1	51.0
Consumption	41.7	49.7	40.7	8.5	1.1
Wholesale and retail	75.9	75uh.1	16.3	7.3	1.3
Transport and communication	46.9	36.1	44.7	9.9	9.3
Finance and real estate	50.9	37.0	47.9	11.6	3.5
Community social service	68.2	81.1	9.2	7.9	1.8
Total output	85.0				

Source: Adapted from egwakhide 2004, fox 1998, report of registered establishment

sources of funds for Small Scale Industries

The main sources of fund for small scale enterprise in Nigeria are personal savings, borrowing from friends and money lenders. Modern source are through credit schemer as credit guarantee scheme, public guarantee scheme, international guarantee scheme, commercial banks and specialized institutions, eboh (2004). For the purpose of this study, we have categorized the source into two; Internal source and external source. The internal sources are personal savings, borrowed from friends, relative and money lenders. The external sources are from institutional sources such as cooperative and other financial institutions.

The loans are usually made available to members who compete for the loanable fund .Commercial bank being profit oriented enterprise. A close look at table (2) shows that the ratio of commercial banks loan SSI's increase to 48.8 in 1992'thereafter decline to 1.4 in 2007. (Reference)

Table 2. Aggregate loans and advances to SSEs by commercial banks (1992 – 2007)

Year	Commercial banks loans to SSEs (N'M)	Commercial banks total credit (N'M)	Commercial banks loans to SSEs as % of total credit.
1992	20,4000.00	41,810.0	48.8
1993	15,462.9	48,056.0	32.2
1994	20,552.5	92,629.0	22.2
1995	32,374.5	141,146.0	22.9
1996	42,302.1	169,242.0	25.0
1997	40,844.3	240,782.0	17.0
1998	42,260.7	272,895.5	15.5
1999	46,824.0	353,081.1	13.3
2000	44,542.3	508,302.2	9.7
2001	52,428.5	796,164.8	6.6
2002	82,368.4	954,628.8	8.6
2003	90,176.5	1,210,033.1	7.5
2004	77,587.5	1,382,419.9	5.6
2005	50,627.6	1,899,346.4	2.7
2006	25,713.7	2,524,297.4	1.9
2007	35,156.8	2,913,112.8	1.4

Source: CBN statistical bulletin (2007)

This study is actually interested in comparing the level or rate of employment generated for the populace by the number of small scale establishments and data collected by National Bureau of Statistics (NBS) Annual Abstract of Statistics,2008 is presented below for the purpose of analysis of this research work.

Table 2. Distribution of Establishment by Type of Ownership and Percentage

All states	Establishment	%	Employment	%	Average employment size
Sole proprietorship	35178	61.4	352170	37.7	10
Partnership	2858	5	43538	4.7	15
Private limited company	7531	13.1	217990	23.5	27
Public limited company	3279	5.7	137192	14.9	42
Cooperative	530	0.9	11940	1.3	23
Statutory corporation	520	0.9	27021	2.9	52
Government owned	1011	1.8	56316	6	56
Others	364	0.6	6805	0.7	19
Not stated	6042	10.5	77281	8.3	13
Total	57313	100	930253	100	

Source: Annual Abstract of statistics (NBS Publication),2008

The Contribution of Small Scale Industries to the Nigerian Economy

The transformation of traditional industries is one of the contributions of small scale enterprise to the growth and development of the country. In both developed and developing countries, the traditional sector has served and continues to serve as the spring board for launching vibrant modern sector. In short the modern sector has evolved through structural transformation and modernization of the traditional type-cottage or artisan industry .In this way (?) small scale industry can be a means of achieving a smooth transition from tradition to modern industrial sector.

An immense contribution of small scale industries to the growth and development of the country is in terms of employment generation .In Nigeria this group of establishment employs greater number of persons than those in large scale business .More than half the industrial labor in developing countries engage in small scale enterprise, Morawets (1974). Since small scale industries are fairly labour intensive, they are better coping with problem of unemployment and poverty. They create more employment opportunity at a relative low capital cost; for instances while it will take N26, 000 to create one employment in a large enterprise; it takes about N8, 500 in a small scale industry, Oguntoye (1990). Strong evidence based on country and regional experience shows that are major source of employment in an economy; the young part time workers, the cyclical employed and the old are employed in the Small Scale Industries.

according to the United States Presidential report (1984) small firms created 2.7 million new jobs than 1.7 million jobs lost by the large firms during the global recession in America, the small scale firms numbered about 4 million (representing 97% of all business) which serve as a catalyst for a speedy recovery from the recession (United state Government 1984). The small scale business mobilizes funds, which would otherwise had been lying idle or wastefully spent and direct such to productive use. It shows superiority in the use of local raw materials when compared with modern manufacturing establishment. The small scale business also facilitates conservation of foreign exchange and the development of scarce recourses in both developed and developing (2001).

Small scale industries have been the means through accelerated economic growth and rapid industrialization have been achieved (Harris et al., 2006; Sauzer, 2006)

Above all they are potentially strong in aiding the diversification of the industrial sector, apart from facilitating the process of import substitution they produce goods and services with high intrinsic value added, (NISER 1987)

2.5 Problems of Small Scale Industries

Having praised the virtues and the socio-economic importance of small scale industries in Nigeria, emphasis would now be laid on the major problems of small scale industries. These problems could be grouped under management, financial, infrastructural facilities, location problem, inadequate information and marketing problems.

The problem of management arises from the limited knowledge and ability of the owner on the industrialist; the problem of finding the right successor after the death of the owner or shortage of competent staff to advice the owner on management policies, constitutes the core of the problems of small scale enterprise. Most managers have limited education especially in rural and sub-rural areas. This therefore is a bane to the practice of modern management techniques in small scale industries Segynoula (2001).

The technical problems emanates from the fact that the small scale industry is limited in gaining access to modern productive equipment and technical know-how which could be as a result of his limited education and training. This factor limits its access to viable market of his product .Another major problem that faces the small scale enterprise is finance. This is due to the fact that bulk of his fund originate from the owners private saving .A reference to table (2)

shows that commercial banks investment in this sector is very minimal .His ability to borrow is limited to the assets she owns coupled with facts that he cannot raise funds from organized capital market like the stock exchange, though recently the banks committee in august 31,2004 set aside the sum of N 28,803bn for the development of small scale enterprise in Nigeria .Details of this investment is contained in sofowora(2004).

Another major problem facing the SSEs industrialist is sitting of industry. The site of location is very important in production decision, because the success or failure of an enterprise depends to a large extent on the location or the sitting of the industry. Basically, the criteria for sitting an industry are:

Availability of raw materials and market:- It is thus advisable that SSEs are sited to either of these two. The problem of inadequate flow of information is another constrain of SSEs this is so prominent in terms of sourcing for institutionalized finance, raw materials, market outlet and information on government policies regard his enterprise. Another crises facing SSEs is lack of adequate infrastructural facilities like; power supply, water supply good network of roads particularly in rural areas. This constitutes a constraint to the rapid development and growth of SSEs in Nigeria. This problem limits the size of the market. Another problem facing the SSEs is marketing .The small scale enterprise do not embark on promotional measures such as advertisement, product improvement that are capable of Stimulating the demand for the product.

Ways of Developing Micro and Small Enterprises to Enhance National Development in Nigeria

Micro and small enterprise play dispensable role in national development and to reflect its acceptance and recognition of this, the federal government must has small business policy at the top of its agenda; it has to put concrete steps in place to ensure they are able to grow and prosper. In for instance one of the ways of doing this, will be set up a national small business (NSBO) along the line of the small business agency in the United State and Medium Business Services. The national small business office (NSBO) will be an independent body and will have overall responsibility nationwide for all policies and programme relating to small and medium business including micro business, will have its own budget, and will be closely monitored by and answerable to the National Assembly. The national small business office (NSBO) can be replicated at the state level. The state small and medium office will have responsibility for running national policies and programme set up by national small business office (NSBO) at the state level and will also be directly answerable to state Assemblies. The task which will be appropriate to national small business office (NSBO) will be the promotion of exporting activities amongst small businesses to make them more outward looking and more able to participate in the global market place. Another important way of developing micro and small scale enterprise is by establishment of a small Business Development Bank (SBDB) to concentrate solely on the funding to indigenous businesses. The small Business Development Bank (SBDB) will help to combat the problem of undercapitalization by providing the necessary cost effective and easily accessible funding for business

Moreover, it should not be the sole responsibility of government to provide financial assistance to business. The national small business office (NEBO) will then have to seriously took into how it can is largely practiced in both the U.S and U.K equity funding, or venture capitals as it is widely known, has been the secret behind the growth of silicon valley, and the mass number of fast growing high technology companies that abound in developed countries. With high number of billionaires originated from developing countries like Nigeria, the national small business office (NSBO) has to find a way of encouraging them to invest their wealth in small and medium enterprise, thereby helping them and the country to grow. Lastly, micro and small scale enterprises should from time to time organize training programme for their employees on how to use some modern equipment like computer and other machines to tenable them cope with the changing technology. Employees should be equally granted study leaves by their employers; this will go along way producing skilled workers in small establishment.

RESEARCH METHODOLOGY

The source of Data used here was secondary, these was obtained from National Bureau of Statistics.

Method of Data collection

The Data used was extracted from the Annual Abstract of Statistics (NBS publication)

Method of Analysis

The following statistical tools were used to realize the aims of this study:

Regression Analysis

Correlation Analysis

Regression Analysis

Regression Analysis is a statistical tool used to investigate the nature of cause/effect of relationship between two or more variable, where one of the variables depends on the other variable(s). Here it is used to investigate the nature of relationship between Small Scale Enterprises (X) and the number of employment generated (Y).

The probabilistic model adopted is the first order linear model which is given as $y = \alpha + \beta x + e$

Where: y is the dependent or response variable

x is the independent or predictor variable

e is the random error or error term

α is the intercept of the line with y -axis or the value of y when $x = 0$

β is the slope or the gradient. It estimates the rate of change in y for a unit change in x

Using least square method.

$$y = \alpha + \beta x$$

$$\alpha = \frac{\sum y}{n} - b \frac{\sum x}{n}$$

$$\beta = \frac{n \sum xy - \sum x \sum y}{n \sum x^2 - (\sum x)^2}$$

* Curve Estimation.

TSET NEWVAR=NONE.

CURVEFIT

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/CONSTANT

/MODEL=LINEAR

/PRINT ANOVA

/PLOT FIT.

Curve Fit

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Time Series Settings (TSET)	Maximum Number of New Cases Per Procedure Treatment of User-Missing Values Confidence Interval Percentage Value Tolerance for Entering Variables in Regression Equations Maximum Iterative Parameter Change Method of Calculating Std. Errors for Autocorrelations Length of Seasonal Period Variable Whose Values Label Observations in Plots Equations Include	MXPREDICT = 1000 MISSING = EXCLUDE CIN = 95 TOLER = .0001 CNVERGE = .001 ACFSE = IND Unspecified Unspecified CONSTANT

[DataSet0]

Model Description

Model Name	MOD_2	
Dependent Variable	1	Employment
Equation	1	Linear
Independent Variable		Establishment
Constant		Included
Variable Whose Values Label Observations in Plots		Unspecified

Case Processing Summary

	N
Total Cases	10
Excluded Cases ^a	1
Forecasted Cases	0
Newly Created Cases	0

a. Cases with a missing value in any variable are excluded from the analysis.

Variable Processing Summary

	Variables	
	Dependent employment	Independent Establishment
Number of Positive Values	9	9
Number of Zeros	0	0
Number of Negative Values	0	0
Number of Missing Values	User-Missing	0
	System-Missing	1

Employment Linear Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.902	.813	.786	53250.907

The independent variable is establishment.

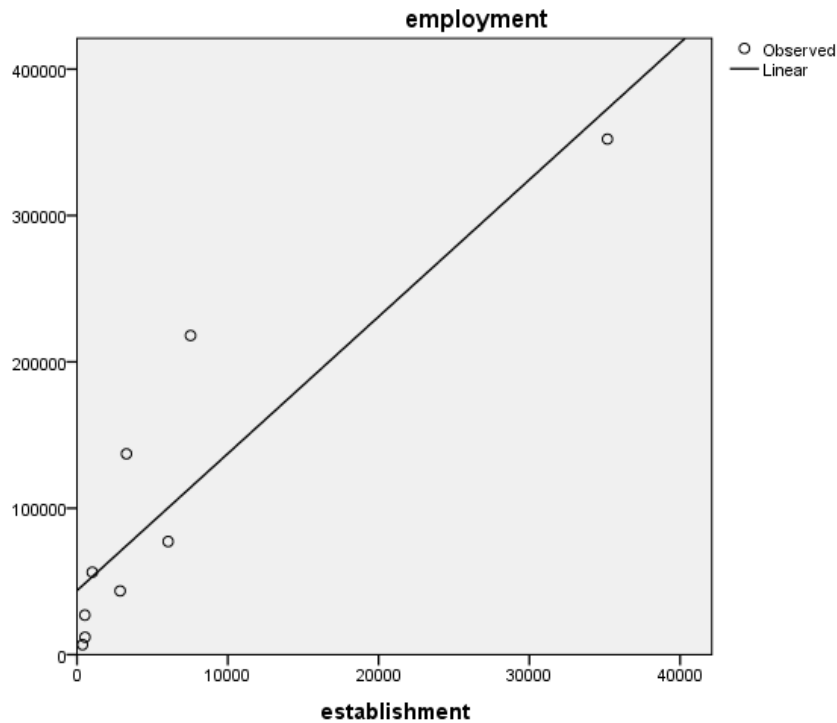
ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	86321494386.382	1	86321494386.382	30.441	.001
Residual	19849614025.840	7	2835659146.549		
Total	106171108412.222	8			

The independent variable is establishment.

Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
establishment	9.355	1.696	.902	5.517	.001
(Constant)	43788.159	20776.357		2.108	.073



Correlation Analysis

Correlation measures the degree or extent of association or relation between two variables (x,y).The n pairs of values (x,y) of two variables can be thought of as a sample from a population of all possible such pairs.

r is the sample coefficient

ρ is used for the population correlation coefficient

$$r = \pm \sqrt{\frac{\text{explained variation}}{\text{total variation}}} = \frac{S_{xy}}{S_x S_y}$$

Where $X = x - \bar{x}$ and $Y = y - \bar{y}$

$$r = \frac{\sum(x-\bar{x})(y-\bar{y})}{\sqrt{(\sum(x-\bar{x})^2)(\sum(y-\bar{y})^2)}}$$

$$r = \frac{n \sum xy - \sum x \sum y}{\sqrt{[n \sum x^2 - (\sum x)^2][n \sum y^2 - (\sum y)^2]}}$$

CORRELATIONS

/VARIABLES=establishment employment

/PRINT=TWOTAIL NOSIG

/MISSING=PAIRWISE.

Correlations

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[DataSet0]

Correlations

		Establishment	employment
establishment	Pearson Correlation	1	.902**
	Sig. (2-tailed)		.001
	N	9	9
Employment	Pearson Correlation	.902**	1
	Sig. (2-tailed)	.001	
	N	9	9

** . Correlation is significant at the 0.01 level (2-tailed).

NONPAR CORR

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Nonparametric Correlations

Notes

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a. Based on availability of workspace memory

[DataSet0]

Correlations

			establishment	employment
Kendall's tau_b	Establishment	Correlation Coefficient	1.000	.833**
		Sig. (2-tailed)	.	.002
		N	9	9
	Employment	Correlation Coefficient	.833**	1.000
		Sig. (2-tailed)	.002	.
		N	9	9
Spearman's rho	Establishment	Correlation Coefficient	1.000	.950**
		Sig. (2-tailed)	.	.000
		N	9	9
	Employment	Correlation Coefficient	.950**	1.000
		Sig. (2-tailed)	.000	.
		N	9	9

** . Correlation is significant at the 0.01 level (2-tailed).

Research Hypotheses Testing

H0: there is no relationship between establishment and employment created.

H1: there is relationship between establishment and employment created.

$t=5.517$ and it is significant at 0.01 since table value is 2.821 we hereby reject the H0 which states that there is no relationship between establishment and employment created. It is also observed through the F-output 30.441, that is calculated value while the table value is 3.59 thereby leading still to rejection of H0.

Using both the parametric and non-parametric Kendall's and Spearman correlations, we observed that there is a strong positive relationship between establishment and employment created; (Kendall = 0.867, Spearman = 0.964)

Discussion and Conclusion

The result of our research work as regards small scale industries in Nigeria revealed that there is relationship between Small Scale Industries and Employment created. The more SSIs we have, the more Employment we create. That there is relationship between x and y. There is relationship between Establishment and Employment created. The more SSIs we have, the more Employment we create.

From the Analysis carried out and Data obtained for this research work, the following were obtained:

- (1) Small Scale Industries contributes to the growth of national economy.
- (2) The Average Employment generated by Small Scale Industries in Nigeria is 22% of total employment.
- (3) There is a strong positive relationship between Small Scale Industries and Employment.
- (4) There is a significant relationship between Small Scale Industries and employment generation.

RECOMMENDATIONS

Based on the findings above, we hereby conclude that:

The growth of the National Economy of Nigeria depends on how vast the Small Scale Industries are growing and their ability to overcome negative economic factors that may rise against the growth of the small scale industries. Government should re-introduce small business credit scheme so as for the beneficiaries to use them to run the small scale enterprises. Government, chamber of commerce and industries and other non-governmental organization should regularly organize seminars for potential and actual small and medium enterprise operators where they should be educated on how to plan, organize, direct and control their businesses to foster the Nigeria economy.

The more Small Scale Industries we have the more Employment is created as a result of this, government should encourage tax system that will promote the establishment of small scale industries.

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