

CONTRIBUTIONS OF OWNERS OF SMALL-SCALE ENTERPRISE IN COMMUNITY DEVELOPMENT OF BAYELSA STATE, NIGERIA

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ABSTRACT

The study focused on the contributions of small-scale enterprises on community development in Bayelsa State, Nigeria. Specifically, the study was designed to describe the socio-economic characteristics of respondents in the study area; determine the extent to which small-scale enterprise promotes economic development; ascertain the extent to which small-scale enterprise contributes to employment generation; examine the contribution of small scale enterprise on revenue generation and identify the challenges militating against the growth and sustainability of small scale enterprise in the study area. Twenty (20) registered small-scale enterprises were selected from the eight local government areas in Bayelsa State. Multi-stage sampling procedure was used to obtain a representative sample of the respondents in the study area. Data collected were analyzed using descriptive and inferential statistics. Findings revealed that majority (62.8%) of the respondents are males within the age range of 40-45 years and 55% are university graduates. It was also revealed that 55.3% are married, 13.9% were farmers while 11.1% were into col room businesses, welders and wood work respectively, and they earn within N10,000-N19,000, having 1-5 years working experience (37.8%). The result further revealed that to a very high extent, owners of small-scale enterprise contributes to employment generation (3.71); it has also promoted economic development to a very high extent ($x=3.63$) of the state. The study also revealed that the challenges militating against growth and sustainability of small-scale enterprise in Bayelsa state are: Poor finance (3.64), lack of managerial skill (3.71), personnel challenge (3.65), marketing challenge (3.72), high probability of risk (3.65), inadequate social infrastructure (3.71), among others. It is recommended that State governments should come in to assist in providing and developing workspaces which should be given to entrepreneurs who will pay back in installments.

Keywords: Contributions, Small Scale Enterprise, Community Development

INTRODUCTION

Small scale enterprises play significant role in the economic development of any given society. For the past decades, small scale enterprise has been referred to as a backward and almost irrelevant endeavour with regard to their contributory role in development of the States in Nigeria and the nation at large. They generate revenue by the taxes collected from them by the government which in turn is used to develop that particular area. In view of the contributions of small-scale enterprise, Ugwuoke (2014) averred that there has been increase in attention from Nigerian economists, management consultants, corporate organizations and the various arms of government at large; who are interested in the transition of this country to an industrialized state. This ongoing attention to small scale enterprise is fueled by the fact that the small scale sector of any economy has the largest share of the population. This implies that if anything happens to the small-scale sector; whether positive or otherwise, will definitely be of either great gains or great consequences to any given state or the nation at large.

Small scale enterprises are business that are not large in terms of the size and scope of operation, financial strength, and the workforce (labour force) involved. As a matter of fact, most small-scale enterprises are owned by one person which makes it an independently owned, operated and not dominant in its field of operation (Obi, 2015). To further buttress this, Acho and Abuh, (2018) opined that currently in Nigeria, small scale enterprise represents about 90% of the industrial sector in terms of enterprise. Small scale enterprise has been in existence for several decades and many of them developed from cottage industries to small enterprises.

Small scale enterprises are generally regarded as the engine of economic growth and equitable development in developing economies be it local, state or national. They are perceived as the key to Nigeria's economic growth as it makes for: poverty alleviation; generation of employment opportunities; enhancement of industrial growth, development and output; provision of opportunities for entrepreneurial training; diversification and improved overall human welfare or sustainable livelihood (Agwu and Emeti, 2014; Acho and Abuh, 2018). The small scale

enterprise utilizes local raw materials in carrying out its production. Judging from this present democratic rule, small scale businesses have contributed to the economy in one way or the other.

The latent contributions which small business can make are now attracting recognition. This awareness is manifest in the ever increasing number of Nigerians who daily strive to put up their personal ideas and abilities to effective use by starting small business ventures. Evidence around the world indicate that small scale enterprise provide an effective means of stimulating indigenous entrepreneurship, enhancing greater employment opportunities per unit of capital invested and aiding the development of technology. Through their wide dispersal, they provide an effective means of mitigating rural-urban migration and resource utilization. Furthermore, by producing intermediate products for use in large scale enterprises, small businesses contribute to the strengthening of industrial linkages (Umeh, 2009).

Due to the positive contributions of small scale enterprise to the economic development of the nation, there is the increased need for the government to be seriously involved in the support and encouragement of the small scale enterprise to enable it realize their full potentials to the benefit of the States in Nigeria and the nation at large. This study therefore, will form the basis to investigate the contributions of small scale enterprise in community development of Bayelsa State.

In spite of the boom in the crude oil exploration, Bayelsa State like most other states in Nigeria has been a typical example of a state ridden with plague of vast unemployment. Little wonder why unemployment rate in Nigeria as a whole, Bayelsa State inclusive, is currently on the increasing side as employment opportunities are decreasing as the year goes by. Going by the historical antecedents of small scale enterprise establishment, one would expect Nigeria to be among the second world of industrialized nations, least to say. However, to the disappointment of many positive minded Nigerians the fact of getting to the leading economies of the world is still far (Ugwuoke, 2014). Small scale businesses do not only represent the country's major opportunities for industrialization, but also contributes majorly to sustainable growth in the area of revenue generation, generation of raw material requirements, generation of employment opportunities and also poverty alleviation.

However, using the available small scale enterprises in the study area, the study will attempt to appraise the contributions of small scale enterprise in community development in Bayelsa State as it remains one of if not the only valid option to bring about employment generation, industrial initiative, entrepreneurship and increased productivity which will certainly bring about development of the study area without reliance on civil service jobs. In other

words, the central problem of this research was to determine the extent to which the contributions of small scale enterprise have brought about development in the study area.

OBJECTIVES OF THE STUDY

The broad objective of this study was to examine the contributions of small scale enterprise in community development of Bayelsa State, Nigeria. Moreover, the study attempted to:

- i. describe the socio-economic characteristics of respondents in the study area;
- ii. determine the extent to which small-scale enterprise promotes economic development;
- iii. ascertain the extent to which small-scale enterprise contributes to employment generation in the study area;
- iv. examine the contribution of small scale enterprise on revenue generation and;
- v. identify the challenges militating against the growth and sustainability of small-scale enterprise.

METHODOLOGY

The study was carried out in Bayelsa State in the Niger Delta region, its capital is Yenegoa. The main language spoken is ijaw with dialects such as kolokuma, Nembe, EpieAtisa, and Ogbia. English is the official language. The population for this study comprised of all registered small scale enterprises, from the eight local government areas of Bayelsa State. According to the State Ministry of Trade, Industries and Business Development, there are about 88 registered small scale enterprises in Bayelsa State as at 5th November 2012.

Multistage sampling procedure was used to obtain a representative sample of respondents. The first stage involved purposive selection of twenty (20) small scale enterprise from the eight (8) Local Government Areas (LGAs), 2 from Ogbia, 2 from Sagbama, 2 from Nembe, 1 from Kolokumaopokuma, 1 from southern Ijaw, 1 from Ekeremo, 1 from Brass and 10 from Yenegoa). The second stage involved the selection of ten (10) respondents (proportionate equal allocation) (1 director, 1 manager, 3 senior staff and 5 junior staff) were selected from each of the twenty (20) small scale enterprises to give a total of two hundred (200) respondents which forms the sample size. A total of 180 questionnaires were retrieved and this was the number used for the analysis for this study. Data for this study were obtained from one main source which was primary source. Research objectives were achieved using descriptive statistics such as frequency, percentages and mean while Z-test was used to test the hypotheses at 0.05 level of significance.

RESULTS AND DISCUSSION

The results in table 1 showed that majority (62.8%) are males and 37.2% are females; 22.8% are of the

20-29 age range; 16.7% have no formal education and 55.0% are University graduates. It also revealed that 53.3% of the respondents are married, 30% earned within 10,000-19,000, 10% are directors and 37.8% had 1-5 years of experience. Indicating that there are

more males than females in the study area who are in their productive stage and are educated. Albert et al (2012) and Albert et al (2013) asserted that education and experience help in the promotion and sustainability of small-scale business.

Table 1: socio-economic characteristics of the respondents

Variables	Frequency (F)	Percentage (%)	Mean
Gender			
Male	113	62.8	
Female	67	37.2	
Age (yrs)			
20-29	41	22.8	
30-39	42	23.3	
40-49	49	27.2	44years
50-59	31	17.2	
60 and above	17	9.4	
Educational level			
No formal education	30	16.7	
Primary (first school leaving)	11	6.1	
Secondary (WAEC/NECO/GCE)	6	3.3	
NCE/OND/HND	34	18.9	
University degree	99	55.0	
Marital status			
Single	57	31.7	
Married	96	53.3	
Separated	17	9.4	
Divorced	2	1.1	
Widow	3	1.7	
Widower	3	1.7	
Monthly Income (Naira)			
10,000-19,000	54	30.0	
20,000-39,000	50	27.8	
40,000-59,000	40	22.2	N31,500
60,000-79,000	12	6.7	
80,000 and above	24	13.3	
Position			
Director	18	10.0	
Manager	14	7.8	
Senior staff	71	39.4	
Junior staff	75	41.7	
Years of Experience			
1-5	68	37.8	
6-10	60	33.3	
11-15	25	13.9	9.1yrs
16-20	14	7.8	
21yrs and above	13	7.2	
Type of small-scale enterprise			
Bakeries and Confectioneries	15	8.3	
Mechanic workshop	15	8.3	
Sachet/bottle water	15	8.3	
Farms	25	13.9	
Cold rooms /stores	20	11.1	
ICT centre	10	5.6	
Welding workshops	20	11.1	
Wood work/Carpentry	20	11.1	
Laundry outfit	10	5.6	
Block industries	20	11.1	
Barbing/Hair dressing salon	10	5.6	

Source: Field survey, 2020

Table 4.2 shows the extent to which small-scale enterprise promotes economic development in Bayelsa state, and it was revealed that; to a very high extent small-scale enterprise has promoted economic development (3.63), as small-scale enterprise increases output of goods and services which brings about economic development (3.48), small-scale enterprise enhances skilled and semi-skilled manpower which when put to use boost economic development (3.51), utilization of local resources is encouraged by small-scale enterprise thereby boosting commerce and hence economic development (3.52), small-scale enterprise provides excellent breeding ground for entrepreneurial and managerial capacity building (3.60), small-scale enterprise stimulates indigenous entrepreneurship and brings about economic development (3.58), small-scale enterprise improves backward linkages between agriculture and economic activities (3.24),

small-scale enterprise advances welfare of people which is a component of development (3.12), small-scale enterprise enhances overall productivity (3.19), scale enterprise creates new opportunities for investment (3.41), and scale enterprise improves health of citizens through safe food production ($\bar{x}=3.26$). Result indicates that small scale enterprise has promoted the economic development of the state by stimulating indigenous entrepreneurship, it improves backward linkages between agriculture and economic activities, by boosting commerce and provided excellent breeding ground for entrepreneurial and management capacity building. This agrees with Akhuetie and Uzobo (2015) who in their study on small-scale businesses stated that it encourages youths to go into self-employed business, boost commerce in our state and communities and promote capacity building.

Table 2: Extent to which small-scale enterprise promotes economic development in the study area

Areas of economic development	VHE	HE	LE	VLE	Mean (x)
Small-scale enterprise increases output of goods and services which brings about economic development	99	71	2	8	3.48
Small-scale enterprise enhances skilled and semi-skilled manpower which when put to use boost economic development	105	66	4	5	3.51
Utilization of local resources is encouraged by Small-scale enterprise thereby boosting commerce and hence economic development	110	60	6	4	3.52
Small-scale enterprise provides excellent breeding ground for entrepreneurial and managerial capacity building	121	51	4	4	3.60
Small-scale enterprise stimulates indigenous entrepreneurship and brings about economic development	118	54	4	4	3.58
Improves backward linkages between Agriculture and economic activities	88	70	1	21	3.24
Small-scale enterprise advances welfare of people which is a component of development	113	61	3	3	3.56
Small-scale enterprise increases total export rate	68	89	22	1	3.12
Small-scale enterprise enhances overall productivity	78	74	15	13	3.19
Creates new opportunities for investment	90	81	6	3	3.41
Improves health of citizens through safe food production	75	90	9	6	3.26

Source: field survey (2020)

≥ 2.50 =Reject; ≤ 2.50 = Accept

Table 3 shows the extent to which small-scale enterprise contributes to employment and revenue generation in Bayelsa state. It revealed that; to a very high extent respondents agreed that small-scale enterprise contributes to employment generation (3.71), employment is generated as a result of the labour intensive nature of small-scale enterprise (3.47). On the cause of expansion, more hands are needed which results to creation of employment opportunities for others (3.39). With regards to revenue generation, to a very high extent it was accepted by the respondents that small-scale enterprise contributes to revenue generation in Bayelsa state (3.35). It was done through payment of taxes (3.46). This agrees with the findings of Obi

(2015) and Ugwuoke, (2014) on their studies on roles of small-scale enterprise on economic growth and industrialization identified that one essential function of small scale enterprises is that they provide employment to large number of Nigerians residing in both the rural areas and the urban centers thereby helping to solve the nagging problem of unemployment in the country. When unemployed people have source of livelihood, it reduces the spate of social ills, such as, robbery, prostitution, advance fee fraud (419) and kidnapping in the society. Also, the operation of numerous small scale enterprises also boosts trading activities because the employed people are earning money which they can spend in obtaining good and services.

Table 3: Extent to which Small-scale enterprise contributes to Employment and Revenue generation in Bayelsa state

Areas of employment generation	VHE	HE	LE	VLE	Mean (x)
Employment Generation					
Small-scale enterprise contributes to employment generation	139	35	4	2	3.71
Employment is generated as a result of the labour intensive nature of Small-scale enterprise	102	67	6	5	3.47
On the cause of expansion, more hands are needed which results to creation of employment opportunities	104	64	10	2	3.39
Revenue Generation					
Small-scale enterprise contributes to revenue generation in Bayelsa state	91	82	3	4	3.45
Through payment of taxes, Small-scale enterprise contributes to revenue generation	96	75	3	6	3.46

Source: field survey, (2020) ≥2.5 Reject ≤2.5 Accept

Table 4 addressed the challenges militating against growth and sustainability of Small-scale enterprise in Bayelsa state. The results showed that all the listed presented to respondents were strongly agreed to as challenges. Poor finance (3.64), Lack of managerial skill (3.71), Personnel challenge (3.65), Marketing challenge (3.72), High probability of risk (3.65), Production challenge (3.71), Inadequate social infrastructure (3.71), Poor technology (3.72), and Psychological factors (fear of failure, lack of creativity and lack of confidence) (3.35) were considered as challenges to small scale business in the study area. This implies that small-scale

enterprises in Bayelsa State are facing serious challenges such as poor finance, inadequate infrastructure, lack of managerial skill, production challenge, high probability of risk, marketing challenge, and fear of failure, lack of creativity and lack of confidence (psychological factors). This result confirms the findings of Agwu and Emeti (2014) who assessed the challenges and prospect of small-scale enterprises; and found that challenges like poor finance, managerial skill, inadequate infrastructure and multiple taxation actually affects the prospects of small-scale enterprise in Nigeria.

Table 4: Challenges militating against growth and sustainability of Small-scale enterprise in the study area

Challenges	SA	A	D	SD	Mean (x)
Poor finance	122	54	2	2	3.64
Lack of managerial skill	138	36	4	2	3.71
Personnel challenge	126	48	2	4	3.65
Marketing challenge	136	40	2	2	3.72
High probability of risk	136	40	2	2	3.65
Production challenge	126	48	2	4	3.71
Inadequate social infrastructure	139	35	2	4	3.71
Poor technology	137	39	2	2	3.72
Psychological factors (fear of failure, lack of creativity and lack of confidence)	140	34	4	2	3.35

Source: Field survey, 2020 ≥2.50 = Reject; ≤2.50 = Accept

H₀₁: There is no significant difference between small scale enterprise and economic development in the study area (Table 5) was tested using z-test. The result shows that there was a significant difference between small-scale enterprise and economic development in the study area; this is because z-calculated (10.35) is greater than z-tabulated (1.95).

This result affirms with the findings of Acho and Abuh (2018) who examined the contributions of small-scale enterprises to the development of the Nigerian economy and the findings revealed that effective management of small-scale enterprises enhances the development of Nigerian economy.

Table 5: Z-Test showing the significant difference between small scale and economic development

Items	N	Df	Mean	P value	Z cal	Z tab	Decision
Small scale enterprise	180		5.83	0.05	10.35	1.95	Significant
Economic development			3.46				

Source: Field Survey, 2020

HO₂: The test on there is a significant difference between small-scale enterprise and employment generation in the study area as shown in Table 6 revealed that the was a significant difference;this is because the value for z-calculated (10.12) is greater

than z-tabulated (1.65). Thus,the finding agrees with the findings of Ugwuoke (2014) who observedone of the roles of small-scale enterprises in the industrialization of Enugu State tobe employment generation.

Table 6:Z-test showing the significant difference between small scale enterprise and employment generation

Items	N	Mean	P value	Z cal	Z tab	Decision
Small scale enterprise	180	5.83	0.05	10.12	1.65	Significant
Employment generation		3.51				

Source: Field Survey, 2020

HO₃: Revenue generation was not significantly influence by small scale enterprises contribution in Bayelsa statewas rejected and the alternative accepted indicating that small scale enterprises significantly influence revenue generation of the state, this is because z-calculated (9.70) is greater

than z-tabulated (1.64) at p<0.05 (table 7). This finding agrees with the finding of Obi (2015) that taxes, levies and fines collected from small-scale businesses have contributed to the economic growth of the nation.

Table 7: Z-test showing significant difference between small scale enterprise and revenue generation in the study area

Items	N	Mean	P value	Z cal	Z tab	Decision
Small scale enterprise	180	5.83	0.05	9.70	1.64	Significant
Revenue generation		3.61				

Source: field survey, 2020

CONCLUSION AND RECOMMENDATION

Small scale enterprises have shown that they pivot for economic growth and any nation development. The activities of these enterprises have uplifted the t life of both the rural and urban populaceby providing job opportunities or source of livelihoodto the people of Bayelsa state. There were various types of small-scale enterprises in Bayelsa state such as sachet water production, saloon, carpentry, among others. These enterprises have generated revenue for the state as they paid their taxes thereby leading to the economic growth of the state and provided employment opportunities for youths and people of the state. In as much as these enterprises were contributing to the revenue, economic growth and employment opportunities of the state, they are faced with some challenges such as lack of constant power, poor finance, lack of managerial skill, high probability of riskamong others. From the findings of the study, it is recommended that stategovernment should encourage the growth of small-scaleenterprisesby giving them soft loans and educating small scale business owners on how to effectively utilize it.

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