

THE IMPACT OF SMALL-SCALE ENTERPRISES ON THE SOCIO-
ECONOMIC DEVELOPMENT OF ADAMAWA STATE.

(A CASE STUDY OF SOME SELECTED BLOCK-MAKING
ENTERPRISES)

BY

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REG. NO. PGDM/07/0146

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BEING A PROJECT SUBMITTED TO THE DEPARTMENT OF MANAGEMENT
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APPROVAL PAGE

This project has been approval as meeting one of the requirements for the award of Post Graduate Diploma in Management Information System, Federal University of Technology, Yola.

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DEDICATION

This project is dedicated to my Father Alhaji Abdullahi Liman Ahmad and my beloved Mother Hajiya Hapsatu Musa for their moral and financial support through out my education.

May Almighty Allah bless them Ameen.

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First and foremost I thank the Almighty Allah who has given me the opportunity and his merciful for taking care of me throughout my academic pursuit.

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My special appreciation goes to my colleagues and friends and well wishers. I thank them for all the support that they gave me directly or indirectly may Allah bless us Ameen.

ABSTRACT

The study focuses on the impact of Small-Scale Enterprises on the Socio-Economic Development of Adamawa State with emphases on some selected block making enterprises as a small-scale enterprises play a significance roles toward the growth and development of economic activities in any nation, the study imperative or other to understand their contribution to nation building.

The scope of the study was limited to seven (7) block-making enterprises along Jambutu bye-pass within Yola Metropolitan. The population of the study comprise of the management staff of the selected enterprises. Twenty four (24) respondents were selected to serves as the sample size both convenience and random sampling were employed to serve as the sampling techniques. There hypothesis were tested out of which two were rejected and one accepted.

The findings of this study include the small-scale sector has positive effect on the lives of the people. It constitutes the largest sub-sector of the nation in terms of industrialization, most small-scale enterprises are proprietorship by form of business ownership. There is high rate of incompetence among management staff

of these block making enterprises and block of government proper attention and support to the small-scale sector.

Recommendation made include: the need to educate entrepreneurs and management staff of small-scale enterprises, the need to change the traditional form of business ownership of small-scale enterprises, which is mostly sole proprietorship and limited liability companies. Because of their advantages over the use of modern technology and innovation. And lastly government at all levels should try o provide basic infrastructures for the block-making enterprises in particular and small-scale sector in general.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Substantial development can only be achieved in Nigeria if the socio-economic problems such as unemployment, immigration, religious and tribal crisis, corruption, etc, are properly addressed. Small-scale enterprises are part of the tools for addressing these problems.

The economy of the advanced nations started from the establishment of small-scale enterprises that were managed on entrepreneurs. More so, they attained levels of industrialization and were aided by their nation's sound economic policies and social development programmes. As argued by Graham (1999), small business enterprises constituted a large part of many economics of the world, including those of developed and advanced nations, numbering up to half to two third of all business all over the world Tuleja, (2001). Thus, many managerial practices, policies, strategies and government interventions have been put in place to encourage the establishment, survival and growth of various types of small-scale enterprises in many economics of the world.

In Nigeria small-scale enterprises account for substantial part of

PAGE 2

motivate government to come out

with many economic policies aimed at moving the country from its present position as a consuming and import oriented nation country to a nation self-reliance and industrialization among which has the indigenization programmed of 1972 known as the Nigerian Enterprises-Promotion Degree enacted during the regime of General Yakubu Gowon (RTD). Others include General Olusegun Obasanjo's phase two of the indigenization programmed that came out with anti inflation decision on Operation Feed the Nation (OFN), Alhaji Shehu Shagari's austerity measure and economic policy of reformation. General Ibrahim Babangida's Structural Adjustment Programme (SAP) and General Sani Abacha's vision 2010. All of these were geared towards socio-economic development of the country.

Adamawa state with a population of over 2,102,053 people (1991 Census), with 21 local government areas, abandoned natural and human

resources, has several small and medium enterprises operating all over. Therefore, this research study tries to examine the impact of such enterprises operating in the block-making industry in enhancing the socio-economic development of Adamawa state by taking some selected organization conducting their activities along Jambutu bye-pass in the metropolitan area of Jimeta-Yola.

1.2 STATEMENT OF THE PROBLEM

Small-scale enterprises constitute the bedrock of the industrialization of any economic for any country. In Nigeria small-scale enterprises, which constitute the majority of the enterprises have been contributing immensely to the socio-economic development and growth of the country. They provide employment to a lot of people, provide revenue to the government, contribute in reducing the rural-urban drift and hence contribute immensely to the standard of living and well-being of the people in the society. However, this type of business are bedeviled by a lot of problems ranging from ineffective management, poor capital base, poor record keeping system and lack of enough government support to carry out their activities. That may explain why they cannot discharge their role effectively and efficiently to the society and economy of the country.

In Adamawa state, just like other states, the small-scale enterprises are facing the above named problems. In block-making industry, for instance, most of them cannot operate in large scale because of inadequate capital at their disposal and lack of managerial and technical know-how.

1.3 OBJECTIVES OF THE STUDY

generally, the objective of the study is to examine the impact of small-scale enterprises on the socio-economic well-being of the people of Adamawa state, taking a case study of the block making industry, it has been established all over the world that small-scale business employ the highest number of workforce found in any nation, be it developed or a developing nation. It is in the light of the above that the study will specifically focus on achieving the following objectives.

- i. To determine how effective and efficient are these small-scale enterprises in the block making industry in Adamawa state is impacting positively on the social and economic life of the people.
- ii. To identify the factors affecting the role of these small-scale enterprises and trying to find out way at making them better.

- iii. To analyzing the internal and external environmental factors within the block-making industry business environment, with a view to seeing how they can be manipulated to their corporate advantage.
- iv. X-ray generally the problem of these small-scale enterprises in their operation and preferring solution and ways to reduce the problems.

1.4 RESEARCH HYPOTHESIS

The following are research hypothesis formulated to ascertain their validity.

HYPOTHESIS 1

Ho- The block-making industry in Adamawa state do not impact positively on the socio-economic development of the society.

Hi: The block-making industry in Adamawa State has impact positively on the socio-economic development of the society.

HYPOTHESIS 2

Ho: Lack of qualified management staff do not hinder the block-making business in Adamawa state to impact on the society.

HYPOTHESIS 3

Ho: Lack of government adequate support hinders block-making from supporting the socio-economic development of the society.

Hi: Lack of government adequate support to hinder the block industry toward socio-economic development of the society.

1.5 SIGNIFICANCE OF THE STUDY

The study is on the small-scale enterprises which constitute the bedrock for industrialization in any economy. This is true for Nigeria as elsewhere because they constitute the major industrial sector of the country.

Moreover, the fact that the study is on bed-making industry contribute greatly to the physical growth and development of Adamawa State in particular (where the study is undertaken) at the entrepreneurs. Workers and management at the block-making industry in particular and similar other business in general. Lastly, the study will no doubt contribute to knowledge for students and scholars who are interested in this area.

1.6 SCOPE OF THE STUDY

This study is conducted on small-scale enterprises, particularly on the block-making industry in Adamawa state. The Jambutu bye-pass of Yola metropolitan of Adamawa state. There are seven (7) block-making enterprises that were selected, they include: S.B.F Farang Block Industry, Special Block Industry, M.B. Babalo block industry, Alhaji Yahya Block industry, Alhaji Yaro block industry, Obi industry and Asobi block industry.

1.7 LIMITATION OF THE STUDY

For every one does in life, there must be some limitation for which this study is not an exception. The problems faced in the course of the research includes:

The following terms used in the write up are hereby defined for clarify sake:

- i. Small-scale enterprises (SSE): can be described as enterprises employing between 1-3 people, they utilize by product or intermediate product from larger farms.
- ii. A entrepreneurship: refers to a process of identification and seeking a profitable investment opportunity in the economy.

- iii. Enterprise: is an organization created for business centers or purposeful or industrial undertaking.
- iv. Small scale industrial credit scheme SSICS: an exclusive credit scheme for small and medium enterprises entails providing lower rate of interest for growing business units and offering them access to power banking service at low rate of increase and quick processing and services.
- v. Structural adjustment programme: are economic policies which countries most follow in order to qualify for new World Bank and Internal Monetary Fund (IMF) loans and help them make debt repayment on the other debt owed to commercial banks government and the World Bank.
- vi. Block-making enterprises: any company involved in mixing sand, water and cement to produce block for building purposes with the aim of making profit.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

Small business enjoys a traditional of infinite variety and solid achievement. It thrives everywhere; most of us deal with small business several times a day. So vital is small business that few, if any parts of our economy, could go on without its products or services in this chapter, the researcher will review some earlier studies and work on small-scale enterprises; its definition, features, advantages, government role in promoting s and the need of small-scale enterprises in enhancing socio-economic development.

2.1 DEFINITIONS OF SMALL-SCALE ENTERPRISES

Business is any purposeful activity; it involves the use of human and non human resources towards the achievement of set goals and objectives. The management of small business enterprises deals with the efficient and effective use of human and non human resources to achieve set goals and objectives in organization that have met the criteria of small business (Osuagwu, 2001).

Different persons, countries, institutions or bodies have come up with various definitions of small business enterprises. Similarly, it also varies from one country to another, even within a country; the definition use vary from time to time depends on the present countries economy.

American experience that is frequently used in defining small-scale business in United State of America. They perceived small-scale enterprises as any establishment whose annual turnover falls between ten thousand to five hundred thousand American Dollars. This is a huge sum of money in Nigeria, where the average exchange rate of the naira to dollar is about one hundred and forty to one American dollars. Its not every artisan, road side machine or local grocer who can provide such a sum of money to commerce business, yet they are into small-scale business.

Also in a country like China, other criteria, part from capital and number of employees is often used in defining small-scale enterprises. This includes, installed capacity utilization, output, types of business or industry, sales value, independent ownership etc.

However, small-scale enterprises is viewed as one operated mainly with hired labour usually not exceeding fifty workers. Also small-scale

industry is seen as an industry or project with fixed asset other than land, including the cost investment project not exceeding ten million.

Also in Nigeria, definition of small-scale enterprises varies from time to time as well as from one institution to another.

According to 3rd national development plan 1975-1080, it defined small-scale enterprises as a manufacturing establishment that employs less than ten people and whose investment on machinery and equipment do not exceed six hundred thousand naira (N600,000). However, in 1995 Central Bank of Nigeria in its credit guidelines define small-scale enterprises as business organization wit an annual turnover of less than five hundred thousand naira (N500,000) Small-scale enterprises in Nigeria are classified with regard to employed labour force and capital investment by the national council on industry (Osuagwa 2001).

Federal Ministry of Industry defines small-scale enterprises as “Any manufacturing processing and servicing industry with capital investment not exceeding one hundred and fifty thousand naira (N150,000) in machinery and equipment only”. Similarly, the Nigerian banks for commerce and industry defined small-scale enterprises as those

investment not more than five hundred thousand naira (N500,000) excluding cost of land including working capital. In the same vein Center for Management (CMD) recommended to the Federal Government that official definition of small-scale enterprises in manufacturing, processing, investment in plant and machinery, but excluding land and building shall not exceed five hundred thousand naira (N500,000) power, plant and machinery utilized in its operation.

Many scholars came up with their definitions of small-scale enterprises in Nigerian content, is made up of small number of employed, not exceeding fifty workers. Also the capital employed is not more than five hundred thousand naira (N500, 000) and the business are usually owned and managed by single or few individuals.

2.2 FEATURES OF SMALL-SCALE ENTERPRISES

According to Tuleja (2001), there are common peculiarities, which characterize almost all small-scale enterprises. According to him, the common features are:

- i. Small-scale enterprises are set up at the imitative of one or more.

- ii. Small business enterprises rely substantially on the skills of entrepreneurs.
- iii. Small business enterprises geographically speaking are dispersed throughout on economy, or are located in clusters either around a large manufacturing business organization, or where the raw materials for small enterprises are available.
- iv. Small business enterprises do not possess a very formal and strict hierarchical managerial structure.
- v. Small business enterprises depend substantially on interpersonal relationship.
- vi. Small business enterprises either focus on markets segments, which may be localized, or are suppliers of production/operational components needed by large industrial business organization.
- vii. Small scale enterprises usually are the major creator of jobs, which can be up to 80% of new job in some cases.
- viii. Small-scale enterprises derive their strengths from being the junior business partners at large manufacturing, assembling and operational business organization.

It should also be noted that although there was no generally acceptable set of criteria for characterizing small-scale business enterprises, but some yardsticks for defining such enterprises include:

Asset base

Amount of capital

Number of employees

Ownership structure etc.

These entire factors depend on the nation's economic strength, the nature of the industry and also the time duration for reviewing the yardstick.

2.3 THE ROLE OF SMALL-SCALE ENTERPRISES

The following are some of the identified roles of small-scale enterprises:

- i. Provision of Employment: due to our large geographical area, our relatively unsophisticated largely unskilled labour force, our limited supply of capital, abundant unexploited resources etc, thus, provide a room for small-scale enterprises on job creation. Nigerian population is large and yet not industrialized. It's therefore the small and medium scale enterprises that absorbs the lion share of the

country's labour force, because of their nature such as low capital formation and creation, usually require unskilled labour nearest to customers etc. hence, small and medium scale enterprises play a significant role in job creation.

- ii. **Research and Development:** In Nigeria, small-scale enterprises through entrepreneurs and business men, make various researches and embark on different research projects. Also they sponsor research work in order to improve the quality of their products/services to help them source raw materials locally. Although, there are twenty two research institutes in Nigeria, yet they did not meet the challenge of research and development to support effective nation industrialization like Japan and China.
- iii. **Sustained Economy:** In Nigeria today, money in circulation are at lower rate and also tight. Thus, the economy is moving very slowly. Many built by successive government are yet operate or have closed down. Some large industries retrench their workers while others sent their workers on force leave. Those that are managing to survive depend on importation of raw materials. But most of the small and medium source their raw materials locally, they are not capital

intensive and they do not rely heavily on foreigners to run their machines. They do better than large firms because they spend less money to operate. Hence, sustain the economy in time of economic strain. This can be seen from one of the objectives of our national policy on industrialization which is the maximization in the use of locally available raw materials in production of consumer and industrial goods for local use and export trade.

- iv. Opportunity to acquire expertise: both small and medium scale enterprises provide the opportunity to gain experience from local industries managed by foreigners as some of them judiciously well to justify their presence in the country. Nigerian in given the opportunity t understands the simple machines, imported from their own machines so suit their needs and environment through the use of local materials for their production.
- v. Modern Marketing Communication: The investors, businessmen, owners of managers or business enterprises have greater role to play in the exhibition and promotion, and public relation activities of their business both at the local and international level. The manufacturers have greater role in throwing the attention of the consumers and

move them to the point of recognizing and purchasing their products and services. Trade campaigns should be directed to dealers to inform them on the organization marketing efforts and interest in the potential of handling such products while the dealers can be the joint ventures between the manufacturers in order to cut down cost. Manufacturers join in dealers in promotional campaign to create consumer traffic for their products.

Advantages of small-scale enterprises

Inang and Ukang (1994) identified specific advantages associated with small-scale enterprises, which include:

- i. Small-scale enterprises are relatively less capital intensive and therefore ideal as channel for industrial development.
- ii. They are relatively more flexible and can suit for launching new products. Where scale of operation can be made small and allowed to be unpaid in case of success, thereby keeping risks under control than large firms.
- iii. The size of the firm enables flexibility in their management giving room for testing of new production techniques.

- iv. Small scale business adapts to the local market and local sources of raw materials. Thereby, saving the cost of industrial dispersal in the areas.
- v. Small-scale business are more efficient than large scale plants in utilizing and training of small number of skilled labour which can be more readily and effectively utilize.

Other merit of small-scale enterprises in Nigeria includes; low level of government intervention; closer to customers, among other. Thus, small-scale enterprises enjoy a lot advantages, which will lead to brighter future.

2.5 PROBLEMS OF SMALL-SCALE ENTERPRISES

Like any human and economic activities in life, small-scale business in faced with many problems. The problems range from management, finance, manpower, political to environmental problems.

Osuagwu (2001), view the problem encountered by Nigeria small-scale business organization from two forms. That is internal and external factors (problems) resulting from the environment in which it operates.

The internal environment factors include:

- Inflexibility on the part of managers, which can lead to lack of coherence in organizational through policies and actions.
- Power squabbles among management staff in a small business organization might endanger the prospects of an organization among others.

The external environmental factors include:

- Non availability of needed raw material and other resources. Government policy, political instability and government general negative attitude towards small-scale enterprises.
- Pressure from outside the small business organization. Which may result from interest groups fighting for social responsibility issue for instance.

On the other hand, solution to the above stated difficulties rest upon the ability of both the entrepreneur and management of small business enterprises to understand the environment in which they operate, and devise policies and strategies to deal with the difficulties stated.

More so, there are some special problems of small and medium scale enterprises that can either be general or specific. The genera problems any involve legal aspect of the business such as access to credits, raw materials

and the lack adequate/appropriate technical and managerial assistance.

The following list demonstrates the range of difficulties which may be encountered.

- i. They are not well organized and structured.
- ii. There is no high caliber of employees.
- iii. Difficulty in raising initial capital.
- iv. Operates with inadequate or at best within minimum qualitative data.
- v. Often have limited reserve, couple with low capacity to borrow.
- vi. Inability to change and adopt rapidly with environmental economical condition, new social structure, and the new form of competition.
- vii. Low cost and poor location which is often determine by personal or non-business consideration.
- viii. No encouragement for staff training and development resulting into loss in realization of human resources.
- ix. Low productivity as its difficult to achieve high productivity since they do not enjoy the low cost of th large firm which can, for example, buy at discount achieve economic of scale and distribution system, and

engage in its own research and development as well as system design teams.

- x. Single product or narrow service range: the business is usually limited to single or small product or service range so that in times of trouble it cannot diversify activities as does by large scale enterprises.
- xi. Misconception of government policies: some managers of small and medium enterprises often find it difficult to understand and interpret government policies, actions, concessions etc.
- xii. Excessive overhead and operating cost: they often tie up too much money on fixed assets (building and equipment). Others lack adequate expense control, and so operational expenses became too heavy.

2.6 THE ROLE OF GOVERNMENT IN FINANCING AND PROMOTING SMALL-SCALE ENTERPRISES

The importance of small-scale enterprises to an economy especially a rural economy has been enunciated in the preceding of this chapter. Government in recognition of small-scale enterprises contributions to national economic growth has evolved policies and measures to assist and

promote the development of this sector. Egbo (1994) contains that because of the nature of small-scale business which is weak, ill managed and produce goods and services on evil qualities, government in the early 70's put maximum emphasis in their policies on an integrated programme to overcome the bottleneck and to the rapid growth of this sector. The programme assistance, according to him, is directed not in segmented not only in segmented problems of the small industries, but to its overall problems.

Osuagwu (2001) agued that Nigerian government regulate the operation of small business enterprises through the use of policies, edicts, act and decrees with a view to achieving social security, growth and development in Nigeria. In addition, government has established he number of institution and programmers to provides development capital to the small-scale industry. To this end, a mixed of financial institution and skill/program has evolved the years. Notable among these credit institutions and programmers are the following:

2.6.1 Small-Scale Industries Credit Scheme

The Small-Scale Industries Credit Scheme (SSICS) was introduced in 1997 as revolving grant by the Federal and State government to assist in making more liberal conditions than in private lending institutions such as commercial banks.

According to Inang and Ukang (1994), the problem of inadequate financial resources especially at the state level coupled with report of rampant management of manager funds by both the demonstrator of loan and the beneficiaries paralyzed the scheme. Consequently, the Federal Government pulled out of the scheme in 1997 to establish in Nigerian Bank for Commerce and Industry (NBC) as the apex credit institution for Small-scale enterprises. The rational for establishing NBCI was to bring prudence and financial discipline to bear on the Small-scale enterprises and hopefully ensure a more efficient utilization of scarce financial resources for the development of viable Small-scale business.

The state government was left to continue to administer based on small-scale industry scheme under the edges of the ministry of commerce and industry of through autonomous development finance cooperation and

investment trust. Most of the state credit institutions, unfortunately, according.

To Akamiokhar (1989), were not very effective, partly because of inadequate funding and partly because of poor administration and political interference.

2.6.2 Nigerian Bank for Commerce and Industry (NBCI)

The Nigerian Bank for Commerce and Industry (NBCI) was jointly established by the Federal Government and Commercial Bank of Nigeria in 1978, as an apex institution for financing Small-scale enterprises in addition to its regular lending operation. NBCI was also to administer the Federal Ministry of Industries special fund for Small-scale enterprises under a self loan agreement. Other sources of fund available to NBCI apart from equity capital were grants from the Federal Government and shortfalls arising from the Commercial Banks inability to meet the recommended levels of Small-scale enterprises under the CBN credit guidelines.

2.6.3 Central bank of Nigeria special credit programmed for Small-scale enterprises.

As the principal agent for implementing government financial and monetary policies, the Central Bank of Nigeria (CBN), has over the year introduced a number of scheme for promoting improved access to credit for industrial development, particularly the Small-scale industries. The main trust of the banks programmed for assisting Small-scale enterprises are grouped under two broad categories directly by the Small-scale enterprises unit loan scheme located in the facility has been disturbed by mining activities. Other areas favored by the loan are Agro-allied Agriculture, Quarrying and Transport Services.

2.6.4 Nigerian Export and Import Bank (NEXIM)

NEXIM was established in January, 1990 to manage the number of credit facilities introduced specifically to boost Nigeria non-oil sector. The essence of NEXIM was based on government's conviction that hangs permanently on the economic prosperity of the country was not to be allowed to hang permanently on oil sector, but also on healthy growth of the non-oil sector the establishment of NEXIM was also intended to

support farmers and other Small-scale exporters to have NEXIM to have direct export market facilities offered by the NEXIM. It includes the Export Stimulation Loan (ESL), the foreign Input Facility (FIF) and Refinancing and Rediscounting Facilities (RRF).

2.6.5 People's Bank of Nigeria (PBN)

The People's Bank of Nigeria (PBN) was formerly commissioned in October, 1980, which is specifically design to meet the credit need of the ultra Small-scale enterprises such as artisans, vulcanizes and petty trades, 172 branches have been established throughout the country with a loan outstanding of over N175million for 125,061 borrowers as at June 1996.

2.6.6 Community Bank

The programmed for the establishment of Community Banks was announced in the 1990 Federal Government Budget. These categories of banks are expected to carry out bank business but at purely local community level. Their role is to provide effective financial services for the rural areas and micro-enterprises in the urban centers. Unlike the people's bank, community bank are privately owned, except that the federal

government has undertaken to provide loan funds and technical support to needy community banks.

Toward the end of the year, government establishes the Community Bank Implementation Committee (CBIC) with responsibilities, among others, for appraising application and issuing provisional license to incorporate commercial banks. Formal license were ultimately issued by the Federal Ministry of Finance, open application presented to it by the Central Bank of Nigeria (CBN).

2.7 THE NEED FOR SMALL-SCALE INDUSTRIES

The emphases of the role of Small-scale enterprises in the development of national economy have been examined in the preceding sections. It was note that the place of these industries in our country Nigeria has become crucial and it therefore become imperative for the government and other relevant institutions to focused adequate attention to the development of Small-scale enterprises. Examination of the problem and preferring solutions to the development of this sector, which was critically outlined by various authors, such as Lenis (1984), Onouha (1990), Akamiokhar (1983) among others agreed that government should

adequately addressed the economy especially its export potential lies in this sector.

The needs are outlined below:

- i. The government should create more industrial development bank which will give financial assistant to the sector and government should adequately fund the institutions.
- ii. The government should encourage the development of cottage and rural indigenous and the Small-scale business, without given preference to any particular class/section.
- iii. The government should also promote industrial project in partnership with Small-scale enterprises, hence, make enterprises have more confidence in themselves.
- iv. Free atmosphere condition to industrialization should be created. Government should provide sufficient site to establish small industries if they are bounded together in one locality, more advantages are derived from each other. In the same vein government should build more technical schools and training centers in addition to the existing ones.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 INTRODUCTIONS

Research methodology involves various ways or method used for collecting data carrying out this research work. In this chapter, the research design, population of the study, sample of the study, method of data collection, instrument of data collection, validation of instrument and method of data analysis are presented and discussed.

3.1 RESEARCH DESIGN

This refers to the total construction plan or structure of the research framework. Research design therefore means the structure and planning up the entire approach top the problem that generated the research work. (Okeke, 2005).

For the purpose of this work, the researcher used the survey research design, this type of study consist of asking questions, collecting and analyzing data from supposedly representative members of the population with respect to one or more variables under investigation.

The research design will therefore be used to collect information from stake holders in the block-making enterprises with regard to the impact of Small-scale enterprises on the socio-economic development of the state, Adamawa state.

3.2 POPULATION OF THE STUDY

Population might be defined as the totality of all subjects that conform to a set of specifications (Polit and Hungler, 1995:43).

In the light of the research population of this study comprised of all management staff of the block-making enterprises, within Yola North Local Government Area of Adamawa State.

3.3 SAMPLE OF THE STUDY

The sampling approach is a process of selecting a portion of the population to represent the entire population (Polit and Hungler 1991:654). Because of the large size of the population, therefore, to seven block-making enterprises along Jambutu bye-pass within Yola metropolitan they include S.B.F Farrang Block Industry, Special Block Industry, MB Babalo

Block Industry, Alhaji Yahaya Block Industry, Alhaji Yaro Block Industry, Obi Block Industry and Asobi Block Industry.

It means the aggregate of individual persons or object for investigation. The research population of this study comprised of all management staff of the selected block-making enterprises in Adamawa state. Seven block-making enterprises along Jambutu bye-pass within Yola metropolitan were selected, they include: S.B.F Farrang Block Industry, Special Block Industry, MB Babalo Block Industry, Alhaji Yahaya Block Industry, Alhaji Yaro Block Industry, Obi Block Industry and Asobi Block Industry.

Because of the large size of the population, it is not possible to carry out the study of the entire population. Therefore, the population has to be trimmed. The population of the study involves seven (7) selected block-making enterprises along Jambutu bye-pass. Therefore, to obtain the sample size of the population, convenience method is used by the researcher. The researcher also used the random sampling method in selecting the numbers of management staff who served as the respondents.

3.4 SAMPLING TECHNIQUES

Several methods have been devised for selecting sample that will be the representative of the population. These include random, stratified, double systematic and cluster.

For the purpose of this research work, a random sampling method is to be used. A random sampling method is that method of drawing a portion (or sample) of a population or universe, so that each member of the population or universe has an equal chance of being selected. A sample drawn at random is unbiased in the sense that no member of the population has any more chance of being selected than any other member.

The random sampling would be used in picking or selecting respondents to fill the questionnaires within the population that constitute the management staff and/or entrepreneurs of the selected block-making enterprises.

3.5 METHOD OF DATA COLLECTION

The data used in compiling this research project were obtained from both primary and secondary source of data.

3.6 INSTRUMENT OF DATA COLLECTION

In collecting the data, the researcher makes use of the questionnaire to gather the primary data. A questionnaire is a list of questions prepared by an investigator. The purpose is been to extract necessary information from the respondents on issues under investigation.

For the purpose of this study, the researcher framed a questionnaire containing several question in order to seek information from the management staffs and entrepreneurs of these enterprises.

3.7 VALIDATION OF INSTRUMENT

The research work was thoroughly supervised by the research supervisor; hence validation was done on the following in order to achieve the objective of the research work.

- vii. Techniques, in accordance with the research questions and objectives.
- viii. Simple and correct English grammar for easy understanding by the respondents and other readers of this project.

7.8 METHOD OF DATA ANALYSIS

The data for the research work are first presented in the form of table (in tabular form) and then got the percentage and then finally employed the statistical method of analysis to test the hypothesis earlier stated in the research in order to accept or reject. The Z statistical tool used in the statistical.

The Z score is used to test the impact of one thing over another.

Z $\frac{p - q}{\sqrt{pq}}$

$\sqrt{\frac{p - q}{N}}$

P Proportion of good part or positive responses

Q Proportion of bad part or negative responses

N Total number of respondents

Therefore, Z score here will be used to test the impact of Small-scale enterprises on the socio-economic development of the people of Adamawa state.

CHAPTER FOUR

4.0 INTRODUCTION

This chapter deals with the presentation, analysis and interpretation of the collected data. Moreover, the hypothesis formulated in chapter one are also tested to ascertain their validity.

4.1 DATA PRESENTATION

Questionnaires, as well as observation are two primary data tools that were used in this presentation and analysis of the data collected. Twenty four (24) questionnaires were received, filled and returned by the respondents. Hence, the researcher has 100% response. The respondents composed of management staff selected from seven (7) block-making companies situated.

Table 4.1

Sex of the respondents

Options	Response	Percentage (%)
Male	24	100

Female	-	-
Total	24	100

Source: Questionnaire response from management staff of Bloc-making Enterprises Yola, 2009.

From the above table, it can be seen clearly that the respondents are wholly comprised of male (100%) as no female was found among them.

Age of the respondent

Options	Response	Percentage (%)
Below	-	-
20-30 years	7	29
30-40 Years	5	21
40-50 Years	8	33
50 years and above	4	17
Total	24	100

Source: Questionnaire response from management staff of Block-making enterprises Yola, 2009.

From the above table, it is clearly shown that the fall which the age of 40-50 years constitute the majority with 33%. They are followed by 7 29%

respondents. The followed by 30-40 years which constitutes 5 (21%) while 4 (17%) respondents have 50 years and above.

Table 4

Marital status of the respondents

Options	Response	Percentage (%)
Male	4	17
Female	20	83
Total	24	100

Source: Questionnaire response from management staff of Bloc-making Enterprises Yola, 2009.

The table above shows that majority that is 20 respondents are married men constituting 83% of the respondents. While only 41 (17%) of the respondents are single. This indicated that most of the respondents are single. This indicated that most of the respondents are responsible men.

Table 4.4

Educational qualification of the respondents

Options	Response	Percentage (%)
Primary certificate of equivalent	-	-
O'Level or equivalent	11	45
Diploma or equivalent	3	13
Degree or equivalent	-	-
Others (Islamic School)	10	42
Total	24	100

Source: Questionnaire response from management staff of Bloc-making Enterprises Yola, 2009.

Table 4.5

For how long have you being managing the organization?

Options	Response	Percentage (%)
Less than 1 year	3	13
1-5 years	9	37
5-10	10	42
10-15 years	2	8

15 years and above	-	-
Total	24	100

Source: Questionnaire response from management staff of Bloc-making Enterprises Yola, 2009.

The table above shows that 10 (42%) of the respondents are part of the management staff of their respective organization from between the range of 5 to 10 years (37%) of the respondents have stayed within their respective organization for 1-5 years. They are followed by 3 (31%) of the respondents that spend less than 1 year in their various organizations.

Lastly 2 (8%) of the respondents that indicate spending more than 15 years.

Table 4.6

For how long has the organization been in existence?

Options	Response	Percentage (%)
Less than 1 year	-	-
1-5 years	9	38
5-10 years	11	46
10-15 years	2	8

15 years and above	2	8
Total	24	100

Source: Questionnaire response from management staff of Bloc-making Enterprises Yola, 2009.

From the above table, 11 (46%) of the responded that their organizations are into production of Blocks for the past 5 to 10 years. 9 (38%) of the respondents said that they are into production for the past 1-5 years. While 2 (8%) respondents each and claimed that their organizations are in existence from 10-15 years and 15 years and above respectively.

Table 4.7

What form of business do you have in the organization?

Options	Response	Percentage (%)
Sole proprietor	15	62
Partnership	6	25
Limited liability company	3	13
Joint venture	-	-

Other	-	-
Total	24	100

Source: Questionnaire response from management staff of Bloc-making Enterprises Yola, 2009.

From the table above, 15 respondents, representing 62% responded that their form of business ownership is sole proprietorship. Six respondents that account for 25% of the total response indicate that their organizations are into Limited Liability Company. Hence, most of these types of small scale enterprises are owned by a single individual that is sole proprietorship.

Table 4.8

How many employees do you have in the organization?

Options	Response	Percentage (%)
Less than 10 employees	10	42
11-20 employees	3	13
21-30 employees	4	17
31-40 employees	7	28
41- employees and	-	-

above		
Total	24	100

Source: Questionnaire response from management staff of Bloc-making Enterprises Yola, 2009.

The table above shares is the employment obsession capacity of these respondents, their organization employed 41 people and above 7 (28%) respondents responded that their organizations provided job for 31-40 individuals, while 4 (17%) of the respondents said that their organizations absorbed 21-30 employees. And lastly 3 (13%) respondent claimed having 11-20 employees within their organization.

Table 4.9

To what extent do you think small-scale business addresses the problem of unemployment?

Options	Response	Percentage (%)
Very high	-	-
High	12	50
Average	4	17

Very low	-	-
Total	24	100

Source: Questionnaire response from management staff of Bloc-making Enterprises Yola, 2009.

The above table shows us the perception of the respondents how or to what extent small-scale business addresses unemployment problem. Twelve (50%) respondents felt they address the problem to a very high extent, 8 (33%) respondents that it is to an average extent, while 4 (17%) respondents felt it is to a low extent. None of the respondents felt to be very high or very low extent.

Table 4.10

To what extent do small-scale businesses improve the lives and quality of people in Adamawa State?

Options	Response	Percentage (%)
Very high	4	17
High	14	58
Average	6	25

Very low	-	-
Total	24	100

Source: Questionnaire response from management staff of Block-making Enterprises Yola, 2009.

The table above revealed the perception of the respondents on how the relationship between the job and their standard of having another question posed to the respondents was on the problems affecting their organization. Their responses include among others problem of escalating prices of their basic raw materials, such as cement and sand, low market pressure from tax collectors both at state and local level of basic infrastructure facilities and lack of conducive atmosphere for business growth and prosperity.

Table 4.11

How would you rate your organization in terms of production output capacity?

Options	Response	Percentage (%)
High	10	42
Average	14	58

Low	-	-
Total	24	100

Source: Questionnaire response from management staff of Block-making Enterprises Yola, 2009.

The above table shows 14 respondents with average production capacity representing 58% followed by ten representing 42% of high production capacity, while no respondents indicated their production capacity, while no respondents indicated their production capacity to be low.

Table 4.12

To what extent would you say government programmes such as NBCI, SAP etc assist towards the development of small-scale industries in Adamawa State?

Options	Response	Percentage (%)
Yes	-	-
Partially	11	46
No	13	54
Total	24	100

Source: Questionnaire response from management staff of Block-making Enterprises Yola, 2009.

From the above table, it shows that 13 (54%) respondents felt government programmes do not assist the small-scale industries in enhancing socio-economic development of Adamawa state. While the remaining 11 (46%) felt it is partial. Hence, the lack of government support is affecting the growth and development of this sector.

4.2 TESTING OF HYPOTHESIS

In this section, the entire formulated hypothesis for the purpose of this research will be tested, after the test based on which the test will be based upon the decision can be made on whether to accept or reject the hypothesis. There are two forms of hypothesis, the null and alternative hypothesis. Three hypothesis were formulated in this research work as follows:

Hypothesis I

Ho: The small-scale business in the block-making industry of Adamawa state do not impact positively on the socio-economic development of the society.

Hi: the small-scale business in the block-making industry of Adamawa state do impact positively on the socio-economic development of the society.

From the response in table 4.9 and 4.10 in table 4.9, 12 (50%) respondents responded that the extent to which small-scale business address the problem of unemployment is high, 8 (35%) respondents felt is average and only 4 (17%) opined it to be low. Also 1 table 4.10 (58%) respondents agreed that small-scale enterprises are improving the lives and quality of people in Adamawa state at a higher rate. 6 (24%) respondents felt it is very high. Therefore, the null hypothesis is rejected since it is found that small-scale enterprises business in the block-making industry of Adamawa state do impact positively on the socio-economic development of he society. Hence, we reject the null hypothesis hereby accepting the alternative hypothesis.

Hypothesis II

Ho: lack of qualified management staff hinder the small-scale business in the block-making industry of Adamawa state to positively make impact on the society.

Hi: lack of qualified management staff do not hinder the small-scale business on the block-making industry of Adamawa state to positively make impact on the society.

Hypothesis III

Ho: lack of adequate government support hinder small-scale enterprises in the block-making industry from operating at a null output capacity toward socio-economic, development of the society.

To test the above hypothesis, references is made to table 4.12, that 13 (54%) respondents felt government programmes do not assist the small-scale enterprises in enhancing the socio-economic development of the people in Adamawa state. Even the remaining 11 (46%) based on these responses from the respondents. We hereby accept the null hypothesis

which states that lack of adequate government support hinder small-scale enterprises development of the society.

4.3 RESEARCH FINDINGS

After a careful collection and analysis of the data obtained through questionnaire and other sources of data collection, the researcher was able to analyze at the following findings. That all the respondents belong to different block-making enterprises who are the management staff of these selected block-making enterprises.

Most of which are holders of O'level certificates while some attend Islamic schools. It was also gathered from the research that most of the respondents from the seven selected block-making enterprises operates on sole proprietorship level which constitutes about 62% of the population. Despite the high acceptance of the sole proprietorship forms of business. The partnership and limited liability companies are beginning to gain high acceptance. It is also observed that the small-scale enterprises have contributed immensely in addressing the problem of unemployment. It is clearly indicated in our previous chapter that small-scale enterprises contributed in no small measure in reducing the problem of unemployment

in most industrialized nations of the World. This is due to nature of small-scale enterprises such as low capital information and creation.

From the data gathered, the small-scale enterprises in the block-making industry have improved the quality and lives of people of Adamawa state by giving unemployment to the unemployed. From the research conducted it is also clear that government programmes such as Nigerian Bank for Commerce and Industry (NBCI), Structural Adjustment Programmes (SAP) does not assist in Adamawa state. This may be due to low level of awareness on the part of the stakeholders in the block-making industry or due to bottle neck been experienced by the stakeholders in securing loan, for example.

In conclusion, the research, in conjunction with the opinion of the respondents urges the government to give much attention to this sector by setting u policies and programmes aimed at boosting the sector and creating awareness to the stakeholders on the policies and programmes. The government should also an enabling environment for the smooth operation of the small-scale enterprises by providing infrastructure facilities such as good road, electricity and water. All these should strictly be

monitored to ensure its efficiency. Also capital employed is another criterion that is frequently.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.0 INTRODUCTION

This chapter tries to summarize the work done so far. Conclusions are drawn from the data presented and analyzed. Moreover, the recommendations are given based on the findings.

5.1 SUMMARY

This study evaluated the role of small-scale enterprises in enhancing the socio-economic development in Adamawa state, which privacy to block-making industry.

The researcher's work is divided into five chapters. Chapter one provides a general background to the entire study. Issues highlighted in this chapter include an outline of the statement of the problem, objective of the study, significance of the study, scope of the study limitation of the study and research hypothesis.

Chapter two of the study related to the literature review and research studies by different authors and small-scale enterprises business

operations. Literatures were reviewed on the following definition of small-scale enterprises, features of small-scale enterprises, problems affecting small-scale enterprises, role of government in promoting and

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3. Majority of ownership form a small-scale business enterprises are sole proprietorship. Though, presently partnership and limited liability companies are given more acceptances.

4. There is high level of incompetence among the management staff of the selected bloc-making enterprises in particular and entire small-scale sector in general. This is including among the enterprises that oversee the activities of these organizations.

5. Lastly, the research study found out that there is lack of adequate and proper government assistance and support to this sector. Even the past government policies that are design toward assisting these sectors are not well implemented and executed to attest positively.

5.3 RECOMMENDATION

In view of the findings of this study, the researcher prefers the following recommendations.

1. Education of management staff of small-scale enterprises.

As revealed in this study, that most of the management staff of these bloc-making enterprises are not educated which affect their operation negatively. As such, it becomes necessary to educate these management staff of block-making enterprises as well as their entrepreneur on how to manage their organization more effectively and efficiently.

2. The need to change form of business ownership bloc-making business entrepreneurs need to change and modify their form of business ownership from sole proprietorship to partnership, joint venture and limited liability, because of their advantages such as individual with capital that lack managerial skill will go into partnership with a person that has the capital. While limited liability has the advantage of raising more capital. It is also a way of diversifying risk and avenue for innovation.

3. Government at all levels need to put more effort on provision of infrastructure facilities such as good road, electricity, good water supply etc which has direct effect on the operation of small-scale sector. This becomes necessary because of its role towards nation industrialization problems such as continuous increase in price of raw materials increasing fuel price problem among others should be addressed.
4. The need of small-scale enterprises to change their ways of conducting their activities. It is necessary for small-scale enterprises to change their traditional way of doing things, for example the block-making enterprises, Nigerians are using mostly the same machines of producing block for over decades. If this sub-sector wants to develop and move toward industrialization, the ultra modern technology has to be employed to allow them to be innovative.

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QUESTIONNAIRE

This questionnaire was formally designed for the research on the “impact of small-scale enterprises in the economic development of Adamawa state” as a means of gathering primary data for the work. The motive of the work was behind the fulfillment for the award of Bachelor of Science Degree in Management at the Federal University of Technology, Yola.

Please and provide answers as appropriate.

1. Sex: a) Male b) Female

2. Age: a) Below 20 years b) 20-30 years
c) 30-40 years d) 40-50 years

3. Marital status: a) Married b) Single

4. Educational Qualification:
a) Primary Certificate or Equivalent
b) O' Level or Equivalent
c) Diploma or Equivalent
d) Degree of Equivalent

e) Others (Specify).....

5. For how long have you being managing the organization?

a) Less than 1 year []

b) 5-10 years []

c) 10-15 years []

d) 15 years and above []

6. For how long has the organization been in existence?

a) less than 1 year [] b) 1-5 years []

c) 5-10 years d) 10-15 years

7. What form of business do you have in the organization?

a) Sole Proprietorship [] b) Limited liability company []

c) Partnership [] d) Joint Venture []

e) Others (Specify).....

8. How many Employees do you have in the organization?

a) Less than 5 employees [] b) 6-10 employees []

c) 11-15 employees [] d) 16-20 employees []

e) 21 employees and above []

9. To what extent do you think small-scale business address the problem of unemployment?

a) Very high [] b) high [] c) average []

d) low [] e) very low []

10. To what extent do small-scale business improve the lives and quality of people in Adamawa state?

a) Very high [] b) high [] c) average []

d) low [] e) very low []

11. How would you rate organization in terms of production output capacity?

a) Very high [] b) high [] c) average []

d) low [] e) very low []

12. To what extent would you say government programmes such as NBCI, SAP

etc assist towards the development of small-scale industries in Adamawa state?

a) Yes [] b) Partial [] c) No [].

13. What are the reasons behind your answers in question 12?
14. Suggest some possible ways through which the management and operation of this organization can be improved.
15. Itemize some problems facing your organization.