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IMPACT OF SMALL AND MEDIUM SCALE ENTERPRISES ON ECONOMIC DEVELOPMENT OF KADUNA STATE

MUSTAPHA Yusuf Ismaila

Department of Management Studies

Kaduna Polytechnic, Kaduna

ismyoriss@yahoo.com

and

Mrs. EKPUNOBI, Grace Ngozi Ph.D

Department of Management Studies

Kaduna Polytechnic, Kaduna

ekpunobingozi@yahoo.com

Abstract

In both developed and developing economies all over the world, Small and Medium Scale enterprises (SMEs) have played important roles in stimulating growth and development and are considered to be the bed-rock of any nation's development. Hence, this study empirically investigates if the activities of small and medium scale enterprises are fostering economic development in Kaduna State. The study gathered its data through primary and secondary sources. The primary data involved the use of questionnaire to collect data from target respondents who are selected through systematic sampling from the six local government areas (LGAs) spread across the three senatorial districts in the state. The secondary sources were information gathered from text books, journals etc. The finding from the study's analysis shows that SMEs development in Kaduna State reduces poverty level and most importantly their activities play significant roles in the economic development of Kaduna State. The study recommends that government should rehabilitate existing facilities and embark on the provision of new facilities such as pipe born water, power, road network, financial incentives, and waste management. It should exploit SMEs development as a potent tool for alleviating poverty in all her poverty reduction programmes and government should also assist the SMEs to enable them transform their indigenous technology to modern one.

Keyword: Small and Medium Scale Enterprises, Economic Development.

Introduction

In both developed and developing economies Small and Medium Scale Enterprises (SMEs) play an important role in stimulating growth and development. They are considered to be the bedrock of any nation's economic development. Indeed, Small and medium scale enterprises development has

continued to be a popular phrase in the world due to its leading role as catalyst for national growth and development (Kadiri, 2007). In the view of Usman (2001), development in SMEs is *sine qua non* for employment generation, solid entrepreneurial base and employment for the use of local raw materials and technology.

Indeed, if Nigeria or any State is to reach her full economic and social development potential, she cannot afford to ignore the development of her indigenous Small and medium enterprises and their contribution to the economy. Nigeria's ability to break away from her current non-impressive economic performance would, to a large extent depend on her ability to harness the entrepreneurial potential visible in the streets, market places and small and medium scale enterprises. This is because, SMEs the world over can boast of being the second major employers of labour if compared to the major industries including the multinational firms (Kadiri, 2007). In fact, Garba (2007) observed that SMEs, both in the formal and informal sectors, employ over 60% of the labour force in Nigeria. Also that 70% to 80% of the daily necessities in the country are not high-tech products but basic materials with little or no automation.

The importance of SMEs to every national economy is well captured in the observation of Ogunleye (2000) which asserts that SMEs are particularly relevant in creating employment opportunities, producing import substituting machinery and equipment, mitigating rural-urban drift, producing specialized item in small quantities to meet diverse needs, mobilization of local resources as well as stimulating technology development and innovation among others. In addition, Odubango (2000), Onwumere (2000) and Nnanna (2001) maintained that SMEs help in the achievement of improved standard of living of the rural dwellers, employment generation, utilization of indigenous technology and increase in government revenue.

Entrepreneurship is a function of opportunities, technical and commercial skills, entrepreneurial spirit, finance, infrastructure and the overall environment within which the enterprise operates (Beyene, 2004). Entrepreneurship development, according to Nwokocha (2008), refers to any comprehensively planned effort undertaken by an individual, group of individuals and or agencies to develop competencies in people that are intended to lead to self employment or economic self sufficiency, employment through education and short training.

It is important to note that poverty reduction is one of the most difficult challenges facing Nigeria as a country of which Kaduna state is a part. Poverty, according to Anyanwu (1997), Kankwendo et al (2000) and Bradshaw (2006), in its general sense, refers to lack of necessities such as; basic food, shelter, medical care, and safety generally thought necessary based on shared values of human dignity. A total of 34.9% of the Nigerian population was found to live in poverty and when non-food expenditure is added to the statistics, poverty prevalence rises to 53.8% (Garba, 2007). This means that more than half of

Nigeria's population lives below the international poverty line of one US Dollar a day (Garba, 2007). Although Nigeria is rich in natural and human resources, 7 out of every 10 Nigerians live on less than one US dollar a day (NEEDS, 2004), and this view was further supported when ASSU (2007) observed that 70.2% of Nigerians live on less than one US dollar per day. According to Igbuzor (2006), Nigeria is among the 20 countries in the world with the widest gap between the rich and the poor. The condition of poverty in this context has been interpreted conventionally as a lack of access by poor households to the assets necessary for a higher standard of income or welfare, these assets are thought of as human (access to education), natural (access to land), physical (access to infrastructure), social (access to networks obligations) or financial (access to credit) according to the World Bank (2000).

From the above, it is apparent that there is high level of poverty in Nigeria of which Kaduna State is a subset. Therefore, the magnitude of poverty in the country indicates the need for urgent all inclusive strategies targeted at reducing poverty in the Nigeria. Therefore, in cognizance of the fact that SMEs play greater roles in economic development, emphasis should be given to the promotion of SMEs activities in the country in general and Kaduna State in particular. SMEs employ 22% of the adult population in developing countries (Ukeji, 2003). They represent the overwhelming majority of industrial capacity in developing countries (Ayozie, and Farayola, 2005).

The level of unemployment and poverty in Kaduna State has been on the increase and this has become a source of concern to the State government which made her to include poverty alleviation and employment generation through entrepreneurship development a cardinal point of the present administration's 11-points agenda. Also, it is the fact that government at all levels (Federal, State, and Local) have realized that entrepreneurship development is a potent tool that a nation can use to alleviate the level of poverty and improve the living condition of the citizenry in the State that stimulated interests in this current study. Although, there are studies that have assessed the impact of SMEs on economic development in Nigeria such as Ekpo (2007), Adegbite and Abereijo (2007), Alarape (2008), Kadiri (2007), these studies are too broad in scope as the focus of their investigation is Nigeria and as such their findings may not be wholly applicable to the Kaduna State situation owing to peculiarities among different states in Nigeria. The few studies like Yahaya (2008) and Nwokocho (2008) carried out on Kaduna State were not empirically conducted as they are only library work (i.e assemblage of previous literature). Thus, it is due to the aforementioned reasons that this study seeks to fill this gap by investigating the impact of SMEs on economic development in Kaduna State.

Objectives of the study

This study, in its investigation, seeks to achieve the following objectives.

- I, To examine the relationship between SMEs development in the state and poverty reduction

- ii, To assess the impact of SMEs' activities on economic development in Kaduna State.

Theoretical Framework

There is no universally accepted definition of these terms, the terms Small, Medium and Micro. They are relative and differ from industry to industry and from Country to Country (Obitayo, 1991). It is also important to recognize that the definition changes over time due to changes in price levels, advances in technology, level of employment among other variables (Udeh, 1999). European Union defines a Medium Size enterprise as one with a head count of 250 and a small firm as one with a headcount of 50 and a micro-enterprise as one with a maximum of 10 employees. To qualify as an SME in the European Union, a firm must have an annual turnover of Euro 40 million or less and/or a balance sheet valuation not exceeding Euro 27 million, while the annual turnover of micro-enterprises must be lower than Euro 2 million.

However, several attempts have been made in Nigeria to define and classify Small and Medium Scale Enterprises. In 1991, the Central Bank of Nigeria (CBN) guidelines to banks classified SMEs as those with capital investment not exceeding N2 million (excluding cost of land) or maximum turnover of not more than N5 million. Ekpenyong maintained that (as cited in Ejiofor, 1989) Small Scale Enterprises are those Enterprises that have relatively little capital investment that produce in Small quantities and as a result control a Small share of the market, that employ not more than 50 workers and in which management, marketing and entrepreneurial functions are vested in the proprietor.

Features of SMEs

SMEs in most developing countries exhibit the following characteristics identified by Ilesanmi (2000). These characteristics are;

- i. SMEs are generally more labour intensive than large organizations.
- ii. SMEs provide productive outlets for the talents and energies of enterprising independent people many of whom would be unable to fulfill their potentials in large organisations.
- iii. SMEs often flourish by serving limited or specialized markets that are not attractive to large organizations.
- iv. SMEs provide a seedbed for entrepreneurship talent and a testing ground for new industries
- v. SMEs enhance community stability because they do less harm to the physical environment than large factories.
- vi. SMEs have small capital outlay, small value of total assets, small scope of operations and they are mostly managed by the owner managers who have close contact with both employees and customers.

The roles of SMEs in economic development

Generally, according to Ilesanmi (2000) and Philips (1987), SMEs play the following roles in economic development of every nation;

- i, Stimulation of indigenous entrepreneurship
- ii, Transformation of indigenous technology to modern technology
- iii, Production of intermediate products for use in large scale industries
- iv, Facilitating the training of managers and semi-skilled workers
- v, Promotion of effective resource utilization
- vi, Mitigation of rural-urban migration
- vii, Encouragement of the use of local raw materials
- viii, Providing a variety of choice (products) for consumers.

The Importance of SMEs in the Development of the Nigeria Economy

Small and Medium Scale Enterprises are known to have played significant roles in the development process of most developed nations and have proved to be one of the most viable sectors with high growth potentials. The World Bank (2006) has estimated that SMEs contribute an average of 51.5 percent to GDP in high income countries and 15.6 percent in low income countries. SMEs are primarily considered to be the bedrock of economic development of any country. For instance, in the USA, Small Business Sector has about 22 million enterprises, generating more than half of the country's GDP, employing about 53% of the total private workforce and is responsible for creating vast majority with new jobs. In China, SMEs employed 22.3% of the total rural labour force. In Iran, SMEs have contributed more than 62% of industrial output and more than 75% of total employment in 1996 (Ogunleye, 2000). In Nigeria, SMEs account for about 50% of employed workforce and about 45% of all goods sold (Osuala, 2004). However, under existing economic conditions of Nigeria, SMEs can be used as potent tool in achieving the poverty alleviation objective of the government because they are largely labour intensive. They can be used to create safety net not only in targeted poverty programs but also initiating growth in employment through the development of modern efficient enterprises.

Challenges of SMEs in Nigeria

According to a study undertaken by the Economic Commission for Africa (ECA), it is evident that Nigeria as a country is wanting in many respects; for instance, Nigeria lacks good road network in the rural areas necessary for transporting agricultural produce to markets. According to the study, "only about 40% of the country has pipe-borne water, the provision of electricity is inadequate and very limited in rural areas and weak industrial base (ECA, 2001). ECA (2001) also identified access to finance as one of the major constraints faced by SMEs in Nigeria. The report stated as follows:

High Interest Rate and Collateral Requirements

As small businesses are considered riskier, they are often subjected to higher interest rate charges than large enterprises. They cannot get long-term finance and do not have the same access to finance opportunities as large enterprises.

The SMEs' interest rate increases the cost of doing business and thus reduces competitiveness.

Misuse of Government Sources

Where government made financial assistance available, they often ended up benefiting groups they were not intended to serve. The ECA (2001)'s study on Nigeria revealed that financial support from government sources ended up benefiting political loyalists, who often received the loans as rewards for political support.

Inaccessibility of SMEs to market information and technology

SMEs have difficulties in gaining access to appropriate technologies and information on available technique. This limits innovation and SMEs competitiveness.

Low quality of human resources

An insufficient supply of skilled workers can limit the specialization opportunities of SMEs

Lack of Management Skill and Training

Although SMEs tend to attract motivated managers, they can hardly compete with larger firms. The scarcity of management talent prevalent in most countries of the region has a magnified impact on SMEs.

Meaning of Economic Development

Economic development is the development of the wealth of countries or regions for the well being of their inhabitants. Legal and institutional adjustments are made to give incentive for innovation, and for investments so as to develop an efficient production and distribution system for goods and services (Mustapha, 2007):

Perkins et al (2001) and Olawale (1985) defined economic development as a process by which the real per capita income increases over-time. Kinsey (n.d.) defines economic development as rapid and sustained rise in real income per head and shift in technology, economic, and demographic characteristics of a nation. In his own view, Mustapha (2007) sees economic development as a sustainable increase in living standards that imply increased per capita income, better education and health, rise in employment opportunities as well as environmental protection.

Features of a Developed Economy

Olawale (1985), Perkin et al (2001) and Jhingan (2000) identified the following as the features inherent in any developed economy;

- i, Lack of unemployment: That is, there is adequate employment opportunities for all willing and able bodies.
- ii, Availability of capital for investment purposes: That is, every entrepreneur or investor has access to capital to finance their projects.

- iii, High technology: That is, there is availability of high state of technology in every aspect of production and operation activities.
- iv, Minimum poverty level: That is, such economy should not be poverty ridden as majority of people in that nation should be able to afford the basic necessities of life.
- v, Political stability: That is, there is reasonable stability in government policies and programs which enables it to plan.

Methodological issues

The total number of SMEs registered on the list of Kaduna State directory of business establishments published by Ministry of Commerce and Industry 2006 which is still the latest edition as at 2010 are 1195. Out of 1195 SMEs, 1156 are functional while 39 have closed down. Thus, the 1156 functional registered Small and Medium Scale enterprises constitute the population of the study. The study determines its sample size by adopting Roscoe (1975) 10% rule of thumb which says that 10% of a study's population is enough as sample size. Hence, 10% of the 1156 registered Small and Medium Scale enterprises on the list of the Kaduna State Ministry of Commerce and Industry constitutes the study's sample size. This is calculated thus;

$$\frac{10 \times 1156}{100} = 115.6$$

This figure is approximated to 116; therefore, the owners of 116 registered Small and Medium Scale enterprises constitute the sample size of the study. The 116 registered SMEs are selected through stratified and purposive sampling from the six Local Government Areas (LGAs) in the state. Stratified sampling is the process of dividing the population into subpopulation or strata and this is done to ensure that each of the three senatorial zones in the state are represented. While purposive sampling is the process of selecting population elements based on certain criteria and the criteria in this study is the selection of LGAs that constitute the mainstay of the state economic activities. These six LGAs were taken across the three senatorial districts in the state. The choice of these LGAs is born out of the fact that the LGAs are the hub of economic activities in the state and three out of the six LGAs are located within the state capital. These LGAs are Kaduna North, Kaduna South, Chikun, Zaria, Sabon-Gari, and Jama'a. The first three are located within Kaduna metropolis.

This study uses both primary and secondary data. The primary data were sourced through questionnaires that were administered on 116 Small and Medium Scale business owners across the six LGAs. The questionnaire has two sections, A and B. Section A addresses demographic information while section B seeks response from the target elements on the impact of SMEs on economic development of Kaduna State. The questionnaire comprises a set of multiple choice as well as Likert scale questions.

Research hypotheses

The following hypotheses are formulated to guide this study in the achievement of its objectives.

H₀: SMEs development does not reduce the level of poverty in Kaduna State

H₁: SMEs development reduces the level of poverty in Kaduna State

H₀: SMEs activities have no significant impact on economic development of Kaduna State.

H₁: SMEs activities have significant impact on economic development of Kaduna State.

The study used tables, frequency distribution and percentage to present the data and the analytical technique used to analyze the data collected is chi-square test which is used to test the above stated hypotheses. Specifically, Statistical Package for Social Sciences (SPSS) version 13.0 was used to run the chi-square analysis to test the study's hypotheses. 5% or 0.05 level of significance was used. The study accepts the hypothesis if the calculated chi-square value is less than the critical value (χ^2) otherwise, it will reject the hypothesis.

Discussion of Result and Findings

A total of 116 questionnaires were administered to the SMEs owners in six local government areas spread across the three senatorial districts in the state. The percentage of the questionnaire that were administered, completed and returned is 100%.

The section A of the questionnaire dealt with the demographic data of the respondents and the target audience responses are given below.

Table 1: Demographic Information

S/ N	DEMOGRAPHIC DATA:	NO. OF RESPONDENTS	PERCENTAGE (%)
1	Sex: Male Female	87 29	75 25
2	Marital Status: Married Single Divorced	63 40 13	54 35 11
3	Qualification: Diploma HND BSc MSc	52 35 18 11	45 30 16 9
4	No of years in Business: 1 – 5 6 – 10 11 – 15 16 and above	37 25 40 14	32 21 35 12

Source: Author's field Survey 2011

Table 1 reveals that 75% (87) of the respondents are males while the remaining 25% (29) are females. It shows that 54% (63) of the respondents are married

and 35% (40) are single, while 11% (13) are divorcees. The responses on educational qualification of the respondents show that 45% (52) hold School Certificate (O'Level WAEC), 30% (35) hold OND/NCE, 16% (18) hold HND/B.Sc and 9% (11) hold other certificates. For the question on the number of years in the business, the table indicates that 32% (37) of the respondents have spent 1 – 5 years, 21% (25) of them indicated that they had spent 6-10 years, 35% (40) of them had 11-15 years of experience while the remaining 12% (14) claimed that they had spent 16 years and above in their businesses respectively.

Table 2: SMEs and promotion of indigenous technology in Kaduna state

Options	Responses	%
Strongly Agreed	55	47
Agreed	40	35
Undecided	15	13
Disagreed	6	5
Total	116	100%

Source: Author's field Survey 2011

The result of the finding shows that SMEs in the State are actually promoting the usage of indigenous technology as 47% (55) and 35% (40) of the respondents who are the majority strongly agreed or agreed with this assertion. 13% (15) of the respondents were undecided and the remaining 5% (6) strongly disagreed with this position. It is instructive from the above that SMEs activities promote indigenous technology as 82% of them hold this view.

Table 3: Presence of adequate infrastructural facilities such as water supply, roads, power and financial incentives enable SMEs to contribute to the economic development of Kaduna state

Options	Responses	%
Strongly Agreed	65	56
Agreed	40	34
Disagreed	7	6
Strongly Disagreed	4	4
Total	116	100%

Source: Author's field Survey 2011

On the statement of the how the presence of adequate infrastructural facilities such as water, road, power, financial incentives etc enhance the contribution of SMEs to the economic development of the State, an over-whelming majority of 56% (65) and 34% (40) respondents strongly agreed or agreed with this. On the other hand, 6% (7) and 4% (4) of the respondents disagreed or strongly disagreed respectively. From the above, it is clearly evident that adequate provision of these facilities enhances the contributions of SMEs to economic development of the State, as overwhelming majority of the SMEs owners maintained this opinion.

Table 4: SMEs in Kaduna State and creation of employment opportunities

Options	Responses	%
Strongly Agreed	70	60
Agreed	27	24
Undecided	13	11
Disagreed	6	5
Total	116	100%

Source: Author's field Survey 2011

Table 4 reveals that 60% (70) of the respondents strongly agreed that SMEs in the State create employment opportunities, 24% (27) agreed with this statement, while 11% (13) of the respondents, were undecided on this statement and 5% (6) of the respondents strongly disagreed with this statement. Based on the above result, one can conclude that SMEs in the state contribute adequately to employment creation as shown from the responses of the target audience.

: SMEs activities and increased revenue generation in Kaduna state

Options	Responses	%
Strongly Agreed	70	60
Agreed	28	24
Undecided	12	10
Disagreed	2	2
Strongly Agreed	4	4
Total	116	100%

Source: Author's field Survey 2011

The findings of the study from table 5 further shows that the activities of SMEs increase revenue generation of the State as 60% (70) and 24% (28) of the sample respondents strongly agreed or agreed with this. 10% (12) of the respondents were undecided, 2% (2) disagreed and 4% (4) strongly disagreed. It is vividly shown from the above that SMEs activities increase revenue generation in Kaduna State as 84% of the SMEs owners under investigation held this view.

Table 6: SMEs development in Kaduna State and poverty reduction

Options	Responses	%
Strongly Agreed	60	52
Agreed	30	26
Undecided	10	9
Disagreed	10	9
Strongly Disagreed	6	5
Total	116	100%

Source: Author's field Survey 2011

Respondents' opinions on the statement about the role of SMEs development in reducing poverty level indicate that 52% (60) and 26% (26) of the respondents

strongly agreed or agreed with development of SMEs in the State reduces poverty level. 9% (10) of the respondents were undecided on this, while the remaining 9% (10) and 5% (6) of the sampled respondents disagreed or strongly disagreed with this statement. Hence, development of SMEs activities assists tremendously in reducing poverty level in the state. This is because majority of the target respondents maintained this opinion.

Table 7: SMEs' activities contribute to the 11 points agenda of the present state government

Options	Responses	%
Strongly Agreed	67	58
Agreed	22	19
Undecided	6	5
Disagreed	16	14
Strongly Disagreed	5	4
Total	116	100%

Source: Author's field Survey 2011

The result of the findings from table 7 also reveals that 58% (67) and 19% (22) of the respondents strongly agreed or agreed that SMEs are contributing to the 11 – point agenda of the present government in moving the state forward. 14% (16) and 4% (5) disagreed or strongly disagreed respectively, while 5% (6) of the respondents were undecided on this statement. From the result above, it is inferred that the activities of SMEs are positively contributing to the 11-point agenda of the state government. The 11-point agenda is a programme designed to propel socio-economic and infrastructural development of the state.

Table 8: SMEs Play significant roles in economic development of Kaduna State

Options	Responses	%
Strongly Agreed	67	58
Agreed	35	30
Undecided	8	7
Disagreed	6	5
Total	116	

Source: Author's field Survey 2011

Table 8 also shows that 58% (67) and 30% (35) of the sampled respondents strongly agreed or agreed that SMEs in the state play significant role in the economic development of Kaduna State. The remaining 7% (8) and 5% (6) of the respondents disagreed or strongly disagreed with this statement. Therefore, it reveals that SMEs play significant roles in the economic development of Kaduna state.

Test of Hypotheses

Responses of the target audience to Items 9 and 11 of the questionnaire were used to test the earlier stated hypotheses.

Table 9: Chi-Square analysis result

			SMEs development in Kaduna state reduces poverty level	SMEs play significant roles in the economic development of Kaduna state
Chi-Square(a,b,c,d)			88.138	84.483
Df			4	3
Asymp. Sig.			.000	.000
Monte Carlo Sig.			.000(e)	.009(e)
Sig.	95% Confidence Interval	Lower Bound	.000	.000
		Upper Bound	.025	.025

Source: Author's computation through SPSS analysis

- a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 58.0.
- b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 38.7.
- c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 29.0.
- d. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 23.2.
- e. Based on 116 sampled tables with starting seed 2000000.

Hypothesis one

H_0 : $X^2 = 0$ SMEs activities do not have a significant impact on economic development of Kaduna State.

H_1 : $X^2 = 0$ SMEs activities have a significant impact on economic development of Kaduna State.

$X^2_{1, 0.05}$: 3 degree of freedom

$X^2_c = 84.48$

Chi-square table value at 3 degree of freedom and 5% level of significance is 7.875

Decision rule is; $X^2_c > X^2$ we reject H_0 & accept H_1

$X^2_c < X^2$ we accept H_0 & reject H_1

The result from the SPSS analysis also reveals that chi-square calculated (X^2) is 84.48 which is greater than chi-square table value of 7.815. Therefore, we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1) and conclude that SMEs activities have a significant impact on economic development of Kaduna state.

Conclusion

The findings revealed that SMEs activities in the state are promoting usage of indigenous technology in their operations and that SMEs play important roles in creating employment opportunities in the state. Also, that the development of SMEs in Kaduna State reduces poverty level and their operations improve standard of living of the people in the state. Furthermore, SMEs activities are contributing to the economic development of the state through payment of taxes which enhances revenue generation in the state and that SMEs in the state

will do better in terms of contributing to the economic development of the state if they are provided with required infrastructural facilities such as good road network, pipe-borne water, electricity, etc. In addition, SMEs in Kaduna State are aware of the state government's 11 – point agenda and are contributing to the attainment of it through their operations and finally, that SMEs play significant roles in the economic development of the state

Recommendations

Based on the conclusion, the study recommends the following to improve the contribution of SMEs to economic development in Kaduna State and the country as a whole.

- That the provision of adequate infrastructural facilities in the economy is very vital for SMEs development. Hence, government should therefore rehabilitate existing facilities and embark on the provision of new infrastructural facilities such as pipe -borne water, power, road network, financial incentives, waste management, etc.
- That in view of the above, the State government should collaborate with private firms through public private participation programmes to provide required infrastructural facilities for SMEs activities to thrive.
- Since SMEs are creating employment opportunities in the State, the State government should make provision for incentives such as tax reduction, accelerated land acquisition policy, accelerated documentation of business registration to ease process and reduce the formalities for establishing SMEs. It is believed that the presence of these will prompt more SMEs to spring up in the state.
- Also, it has been proved empirically that SMEs development in the State reduces poverty level; so, Kaduna State government should exploit SMEs development as a potent tool for alleviating poverty in all her poverty reduction programmes.
- Government should assist SMEs activities that promote the usage of indigenous technology with the aim of transforming the indigenous technology to modern one.
- Finally, since the result of this study indicates that SMEs activities contribute to the economic development of the State, the government should try to stabilize micro-economic variables through monetary and fiscal policies as this will pave ways for effective planning and reliable forecasting of SMEs' activities or operations.

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APPENDIX

S/N	DEMOGRAPHIC DATA:	NO. OF RESPONDENTS	PERCENTAGE(%)
1	Sex: Male Female		
2	Marital Status: Married Single Divorced		
3	Qualification: O'Level/WAEC OND/NCE HND/BSC/BA/BED Others		
4	No of years in Business: 1 - 5 6 - 10 11 - 15 16 and above		

Strongly Agreed = SA, Agreed = A, Undecided= D Disagreed = D, Strongly Disagreed = SD

S/N		SA	A	UD	D	SD
5	SMEs promote usages of indigenous technology					
6	Presence of adequate infrastructure facilities (such as water, road, power, financial incentives etc.) enables SMEs to contribute to the economic development of the state.					
7	SMEs in the Kaduna state create employment opportunities					
8	SMEs activities increase revenue generation of the state					
9	SMEs development in Kaduna state reduces poverty level					
10	SMEs play important role in improving standard of living.					
11	SMEs play a significant role in the economic development of the state					
12	SMEs activities contribute to the 11 point agenda of the present state government					