
Small and Medium Scale Enterprises (SMEs): A Panacea for Wealth Creation in Kwara State, Nigeria

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Abstract: *Unemployment and poverty rates have been on the hike in Nigeria despite government effort over the years to set-up various agencies such as SMEDAN and Microfinance banks to support the SMEs with a view to create more wealth for the masses through job creation. With the existence of rising poverty and unemployment rates, this study seeks to determine the efficacy of SMEs in Nigeria visa vise job creation and poverty reduction. The data used were gathered through primary source in form of questionnaire. Simple random sampling technique was adopted to select 400 SMEs in Kwara State as sample. Tables were used for data presentation while regression (at 5% level of significant) and correlation as inferential statistical design were adopted to test the formulated hypotheses. The result shows that, a very strong relationship exist between job creation and poverty reduction at 0.88 and that poverty reduction and job creation will continue to rise as the number of SMEs increase. The conclusion is that, poverty reduction and employment generation are the bedrock of wealth creation, when individuals are gleefully and gainfully employed, poverty will be drastically reduced in Kwara State, Nigeria. The study therefore recommended among others that, the government should endeavour to tackle the challenges facing SMEs such as difficulty in accessing finance, infrastructural deficiency and unfavorable government laws (such as tax laws) as well as poor power supply among others.*

Keywords: *Job Creation, Poverty Reduction, Small and Medium Scale Enterprises, Wealth Creation*

1. Introduction

Successive governments in Nigeria have been preoccupied with ways of creating wealth for the teeming population which is presently estimated to be over 160 millions. It is understandable that the government combined with the private sector cannot provide the jobs required by the teeming population. Hence, government is saddled with the responsibility of evolving means of wealth creation for the masses so as to achieve her economic with social dreams. Observably, the governments over the years have shown concerns for the Small and Medium Scale Enterprises (SMEs) and see it as a way of reducing, if not, eradicating poverty via job creation to improving the living standards of Nigerians. Unfortunately, the efficacy of SMEs in creating wealth has become elusive especially in the lights of the spiral rate of unemployment and poverty in Nigeria despite the decades existence of SMEs, it has therefore become worrisome and pertinent to ask – is SMEs a Panacea to Wealth Creation in Nigeria?

The onerous task of ensuring job creation and poverty reduction lies with the government; it is unfortunate that despite the thousands of job created by the various governments (federal, state and local) annually, they are insignificant when compared with the growing population. Thus, the findings from this study will not only enlightened the government, but equally provide means of tackling these long-aged menaces. The recommendations provided by this study is optimal for policy-makers who have been formulating policies for government on means of creating wealth but apparently to no avail. The SME owners most of who are not even aware on how best they can maximize wealth from their small enterprise are equally considered in this study. Efforts are made, not only to show how potent their enterprises are in wealth creation but to provide them with strategies of tackling the monotonous challenges bedeviling their enterprise. Finally, the Nigerian public will be more enlightened on how best they can achieve their dreams by establishing their own businesses rather than depending on the government.

1.2 Statement of Problem

The major problem that has triggered this study is the rising rate of unemployment and poverty among the Nigerian populace despite the existence of SMEs in Nigeria. Nigeria with a population of over 160 millions citizens ought to have a workforce that supports her economic prosperity. Unfortunately, historical observation supported by recent revelations from National Institute for Social Research (NISER, 2014); National Directorate of Employment (NDE, 2013); World Bank (2014) and UNIDO, (2012) proved that not less than 55% Nigerians capable of working are unemployed.

Expectably, poverty rates have been on the hike from 27.2% in 1980 to 65.6% in 2010 (Oseni, Oyetunji, Ogunlade & Sanni, 2012); Ogujiuba (2014) and as at 2015, it has jumped to 69.8% (Abdulaziz, Ibrahim & Nuru, 2015; Ogbeide & Agu, 2015). According to the National Bureau of Statistics, (2012) not less than 112.5 million people are poor or said to be poor. As a testament to the magnitude of poverty in Nigeria, the World Bank Human Development Index reports show that Nigeria has continued to comfortably migrate from 114th position in 2009 to 151st position in 2011 and to 152nd position in 2014. In specifics, from 2005 to 2014, Nigeria's HDI value progressed from 0.467 to 0.514, an increase of 10.1 percent or an average annual increase of about 1.07 percent (HDI Report, 2015).

Conspicuously and incontrovertibly, unemployment and poverty have become a regular feature of the Nigerian economy and have therefore become a source of concerns to all and sundry because of its devastating and catastrophic effect on wealth creation. However, in an attempt to tackle these cankerworms, there have been calls from the mainstream media, academicians, researchers, agencies (such as NISER, NDE, UNIDO etc) that governments should empower the SMEs with the necessary financial and institutional supports. Consequently, the governments, have over the years, set-up various agencies such as SMEDAN, Microfinance banks etc to support the SMEs with a view to create more wealth for the masses by creating jobs and reduce poverty in the nation. With the rising poverty and unemployment rates, we seek to determine the efficacy of SMEs in Kwara State.

1.3 Research Questions

Resulting from the focus of this study, the following research questions were raised:

- i. What is the significant effect of SMEs on Job Creation in Nigeria?
- ii. What is the effect of SMEs on Poverty Reduction in Nigeria?
- iii. What is the significant positive relationship between Job Creation and Poverty Reduction in Nigeria?

1.4 Objectives of the Study

The general objective of this study is to investigate the efficacy of SMEs as a Panacea to Wealth Creation in Kwara State. Specific objectives are to:

- i. Examine the effect of SMEs on Job Creation in Kwara State;
- ii. Investigate the effect of SMEs on Poverty Reduction in Kwara State; and
- iii. Determine the relationship between Job Creation and Poverty Reduction in Kwara State.

1.5 Research Hypotheses

This study is guided by the following hypotheses:

H_{01} : SMEs have no significant effect on Job Creation in Kwara State.

H_{02} : SMEs have no significant effect on Poverty Reduction in Kwara State.

H_{03} : There is no significant relationship between Job Creation and Poverty Reduction in Kwara State.

1.6 Scope of the Study

The scope of the study refers to coverage of the topic, i.e. the length, breadth, depth and method.

Therefore, in this study, the focused length is an examination of 797,774 SMEs in Kwara State (SMEDAN Survey Report, 2015); while the breadth is Small and Medium Scale Enterprises as a Panacea for Wealth

Creation in Kwara State, Nigeria. The depth of this research is to examine whether or not job creation and poverty reduction through establishment and operations of SMEs, have been able to contribute positively to wealth creation in Kwara State. As an explanatory study which seeks new insight into an already existing situation, the study adopted ex – post facto design and data were analyzed using regression and correlation.

2. Literature Review

This study revolves round two concepts – SMEs and Wealth Creation. A survey of most extant studies have produced different definitions with each author, agency etc defining the term based on their perception. We have therefore decided to conceptualized these two terms for general understanding.

2.1 Concepts of SMEs

The concept of SMEs has neither suffered from want of definition nor lack kernel and substance as to its purpose of establishment. Most of the definition are succinct enough to be accepted as accurate. According to CBN (2003), SMEs are any enterprises with capital ranging from N5million to N500million with yearly sales of less than 100million and staff strength between 11 and 300. The Center for Industrial Research and Development (CIRD) located at the Obafemi Awolowo University, Ile-Ife viewed SMEs as a business concern with business capital not more than N250,000 (\$1,346.62) with maximum of 50 employees. Likewise, the National strategy on SMEs, characterized Small Enterprises as a venture with an aggregate resource (apart from land and building) worth five million naira yet not surpassing N50 million (\$269,324), with an aggregate staff strength of above ten, however not surpassing forty-nine workers, and Medium Enterprises as those ventures with aggregate resources above N50 million (\$269,324) yet not surpassing N500 million (\$2,693,240) (besides land and work) with an aggregate staff strength of somewhere around 50 and 199 representatives (SMEDAN, 2010).

Small and Medium Scale Enterprises (SMEs) as characterized by the National Council of Industries (2009) allude to business undertakings whose aggregate expenses barring land is not more than two hundred million naira (N200,000,000.00) as it were. In spite of the fact that, there exists no accord among arrangement producers and researchers concerning the time when a business firm is considered to be little or medium. In fact, there is no all-around or even broadly adequate standard definition aside from that the size of business should be characterized for a particular reason.

Disregarding its definitional issue, there exists an abnormal state of accord on the significance of SMES. SMEs have been perceived as basic reproducing and supporting justification for local entrepreneurial office, specialized capability, mechanical modernization and administrative abilities for the development of an energetic and beneficial economy (SMEDAN, 2010). A vivacious, economical and compelling SME sub-division produces a few resultant edges for shareholders, faculty, customers, and managers moreover the entire economy. It is broadly trusted that business enterprise is gainful for economic growth and development, as is found in nations that have strikingly accomplished destitution diminishment, for example, China and the East Asian Tigers (Naude, 2013).

Thus, in Nigeria, successive governments invariably provide measures (such as the creation of specialized financial institutions and funding schemes for the SMEs) to support the SMEs knowing fully well that wealth creation can be made possible through job creation and poverty reduction. A national review directed by the Federal Bureau of Statistics (FBS) over the 36 conditions of the league and the Federal Capital Territory (FCT) in 2012, dissected by the Minister of Trade and Investment, Mr. Olusegun Aganga at its inaugural presentation, demonstrated that, there were an aggregate of 17.28 million SMEs in the nation out of which 17.26 million are smaller scale undertakings esteemed at under N5 million (This Day Newspaper, July 20, 2012). This speaks to around 99% of the SMEs in Nigeria while Lagos State had the most elevated number of SMEs in the nation with 17% of the national figure, took after nearly by Kano State, with Osun state having the least SMEs with just 0.4%.

2.2 Concept of Wealth Creation

Available literature on wealth creation presents us with myriads just like the concept of SMEs, but very similar definitions. These definitional differences make it imperative to contextually explore the meaning of wealth creation. At the most broad level, economists may characterize wealth as "anything of quality" that catches both the subjective way of the thought and the possibility that it is not a settled or static idea (Lachmann, 2013). As indicated by Pender, Marre and Reeder (2012) "Wealth" alludes to some collection of resources (net resource esteem), whether copious or not. "Wealth" alludes to a plenitude of such resources (salary or stream). A wealthy individual, group, or country accordingly has more collected resources (capital) than a poor one as the inverse of wealth is desperation and the inverse of abundance is neediness.

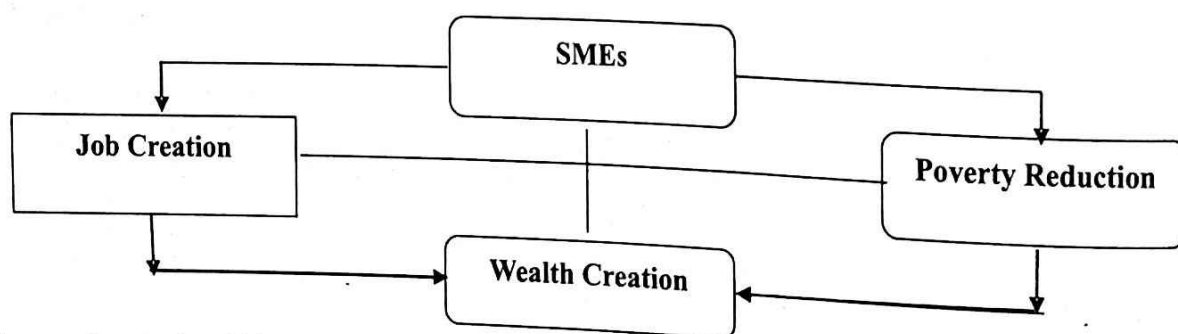
Truly, to be wealthy depends on the individual but the onerous task of creating means to wealth (such as jobs) lies in the hands of the government. Apparently, no nation can thrive when the masses are living in abject poverty due to near-absence of good jobs which they can do to acquire wealth for themselves. Thus, contextually, we view wealth creation in this study as the process of providing well-paid jobs, directly or indirectly by the government, which the individual can do to become wealthy. Obviously, there is a nexus between wealth creation and SMEs.

2.3 SMEs and Wealth Creation: Conceptual Model

Noticeably from the foregoing, wealth creation refers to the provision of resource of value which is of paramount to the survival of mankind. Conceptually, job creation can be view as a means of wealth creation (see fig. 1 below). Jobs either directly such as when government (or its agencies) provides it for the masses or indirectly, such as when job opportunities are created by the government (or its agencies) consequently provides jobs for the society. The latter is the focus of this study as it best explains the rationale behind the government support for SMEs in Nigeria and beyond. Unequivocally, jobs creation helps the beneficiaries to acquire wealth for themselves.

As SMEs are vehicle for job creation globally and Nigeria in specifics, incontrovertibly, every adult needs job to acquire wealth (e.g. lands, cars, etc) and through wealth acquisition, poverty will be reduced by SMEs. Conventionally, high level of poverty signals low level of job creation which is a bad omen for any country because of its social, economic and political effects. Thus, when government provides well-paid jobs (directly or indirectly) poverty is reduced drastically.

The study therefore design the conceptual model based on the foregoing.



Source: Researcher, 2015

Figure 1: *Conceptual Model on SMEs and Wealth Creation*

Relating our model above to Nigeria, it is not arguable that most Nigerians are poor. The National Bureau of Statistics (2008) reported that, poverty rate in Nigeria expanded from 28.1% in 1980 to 70.6% in 2007. UNDP (2009) reported an evaluation of the human poverty index (HPI) esteem for Nigeria as 36th position equivalent to 114 out of 135 nations measured. Activated by poverty and its outcomes, the mission to lighten it and the need to make occupations for Nigerians, the majority of the various governments in Nigeria have organized poverty mitigation projects and employment creation plans. Some of these projects incorporate Operation Feed the Nation (OFN) in 1979, Green Revolution (GR) in 1980, the National Directorate of Employment (NDE) in 1986, the Directorate for Food, Roads and Rural

Infrastructure (DFRRI) in 1987, People's Bank in 1989, Community Banks in 1990, the Family Support Program (FSP) in 1994, Community Action Program for Poverty Alleviation (CAPPA) in 1996, Family Economic Advancement Program (FEAP) in 1998, the National Poverty Eradication Program (NAPEP) in 2001, National Economic Empowerment and development (NEEDS) in 2004. Notwithstanding the above government endeavours and measures at lightening poverty and making occupations for Nigerians, the rates of poverty and unemployment are still high in Nigeria. The unemployment rate in Nigeria expanded from 11.9% in 2005 to 23.9% in 2011 (NBS, 2012). Nigeria's poverty occurrence expanded from 54.4% in 2004 to 69.0% in 2010, while the populace in poverty expanded from 68.7 million in 2004 to 112.5 million in 2010 (NBS). Plainly, poverty and unemployment are the most decimating economic difficulties confronting Nigeria. Confronted with these difficulties, there is the requirement for an outlook change in arrangements and measures of battling poverty and unemployment in Nigeria.

2.4 Theoretical Bases for the Study

2.4.1 The Classical View

The traditional economists have faith in the presence of full work in the economy. At the end of the day, full job was an ordinary circumstance and any deviation from this is viewed as strange. In the Pig out sense, unemployment came about because of the unbending nature in the compensation structure and obstruction in the working of the free market framework by method of exchange union enactments, the lowest pay permitted by law enactments, and the preferences. Subsequently, full vocation exists when everyone who at the running rate of wages wishes to be utilized and the individuals who are not set up to work at the current compensation rate are not unemployed since they are deliberately unemployed (Jhingan, 2010).

2.4.2 The Unbalance Growth Theory

This theory asserts that investment ought to be made in chose divisions as opposed to at the same time in all areas of the economy. Hirschman (1958) however populated the theory when he propelled that intentionally unbalancing the economy as indicated by a pre-outlined procedure is the most ideal approach to accomplish economic growth in an immature nation. As it were, investment in deliberately chose commercial enterprises of the economy will prompt new investment opportunities thus make ready for further economic development.

2.5 Empirical Review

Apparently, quite a number of studies have documented the effect or relationship between SMEs and economic growth; few studies attempt to examine the effect of SMEs on Poverty or Unemployment nationally and internationally. The study reviewed most recent ones especially in Nigeria. Ajala and Fakoya (2003) inspected the part of ladies' small scale business exercises towards poverty mitigation in Ibadan neighborhood government range of Oyo State, Nigeria. The study utilized organized questionnaires to produce essential data from 180 small scale ladies entrepreneurs. The data were dissected utilizing recurrence tables and rates; while chi-square test was utilized to assess the exploration theory. The outcomes demonstrated that small scale organizations are powerful in diminishing poverty in Oyo State; and that the principle challenges confronted by small scale organizations are absence of capital and basic framework. The limitation of this study from the review is that, it is limited to female gender, the chi-square as an inferential tool does not assess impact or effect but just an indication of the existence of phenomenon and the sample size is small compare to this current study.

Onakoya, Fasanya, and Abdulrahman (2013) analyzed the effect of financing small scale undertakings on economic growth in Nigeria, utilizing quarterly time arrangement data from 1992 to 2009. The study consolidated a few econometric estimation strategies. The outcomes show that credit to small scale entrepreneurs positively affect the economic execution while financing cost negatively affects economic growth. The concentrate subsequently inferred that the best or most noticeably awful issue going up against SMEs in Nigeria is administrative limit, and that entrance to capital or account is fundamental yet not an adequate condition for effective entrepreneurial development. Going by the constraint of proper administrative structure identified by the study, it is not inconceivable that most SMEs cannot be examined using secondary data because of the inappropriate record keeping. The study is also limited to financing of SMEs and economic growth which is considered narrow when compared with the current study which looks at an overhaul of the entire nature of SMEs visa vise its impact in creating wealth and poverty reduction.

Still on the same financing of SMEs and economic growth, Akingunola (2011) evaluated particular financing alternatives accessible to SMEs in Nigeria and their commitments to economic growth. The Spearman's Rho connection test was utilized to decide the relationship between SMEs financing and investment level. The analysis reported a noteworthy Rho estimation of 0.643 at 10%. This showed there is noteworthy positive relationship between SMEs financing and economic growth in Nigeria through investment level. Descriptive measurements were additionally used to examine certain financing markers. The study prescribed that openness to relative low loan fee funds ought to be given to small and medium ventures in Nigeria all together improve economic growth. This review has also disregarded the essential parts in wealth creation (occupation creation and poverty lightening), which are well addressed by this current study.

2.6 Research Gap and Contributions to Knowledge

In spite the avalanche of extant studies on SMEs in Nigeria, very few attempts to examine its effect on either poverty reduction or employment generation have been made. The bulk of the studies have been devoted to either studying the challenges of SMEs in Nigeria mostly financial or their contribution to growth or development disregarding their essential parts in wealth creation. This study is along these lines, a pioneer observational endeavour to assess the feedback on the objective of SMEs creation (poverty reduction and employment generation) in the present state of Nigeria economy. Moreover, just few studies used econometric instruments in their analysis; the majority of the studies utilized just descriptive insights. This study used both econometric and descriptive insights to exhaustively look at the impact of SMEs undertakings on Wealth Creation with specific focus on poverty lessening and job creation in Nigeria.

3. Methodology

3.1 Research Design

This study adopted an ex-post-facto research design. The rationale for this was to gather current opinions, from different sections on SMEs and Wealth Creation (Poverty and Job Creation) in Kwara State-Nigeria.

3.2 Population of the Study

The latest SMEDAN Survey Report (2015) put the number of SMEs in Nigeria at 37millionn, indicating an increase of over 100% between 2012 (17.2million SMEs) and 2015. According to the Report, there are 797,774 SMEs operating in Kwara State which forms the population of this study.

3.3 Sample Size

The sample size of the study is 400 which were determined using Taro Yamene's sample size formular as below:

$$\text{Therefore } n = \frac{N}{1 + N(e)^2}$$

Where:

n = Sample Size

N = Population (797,774 SMEs)

1 = Constant

e = Level of Significance (i.e. 0.05)

$$\text{Thus } n = \frac{797,774}{1 + 797,774(0.05)^2}$$

n = 400 approximately; Sample size = 400 SMEs

3.4 Methods of Data Collection

Questionnaire was adopted as the method of data collection. 400questionnaires were distributed to 400 SMEs owners at Offa and Ilorin Metropolis, been the largest cities and most commercialized areas in Kwara State. The comparative advantage of questionnaire (such as wide coverage within shortest time, economical and ease of administration) over interviews and observation justified it usage in this study and simple random sampling method was used to select the SMEs in Kwara State into the Sample. For

reliability and validity check, the questionnaire was submitted to senior colleagues in department of Business Administration. Besides, a pilot study was also conducted whereby thirty (30) SMEs were first selected and the questionnaire was administered to them to see their understandability. Having a two sectioned questionnaire as; respondent's demographic features, data on main research questions which are closed-ended and open-ended data centered on the research objectives. A 5-point likert-scale was adopted to give straight jacketed answers in the form of [(Strongly Agree (SA), Agree (A), Undecided (U), Strongly Disagree (SD) and Disagree (D)].

3.5 Methods of Data Analysis

This study adopted both descriptive and inferential method to analyze the data. Descriptively, simple percentages, frequency distribution tables and charts were used to analyze the data. Inferentially, regression and correlation were used. While the regression analysis was used to test the first and second hypotheses since they seek to examine the effect of SMEs on poverty and job creation, the correlation analysis was used to validate the hypothesis three which seeks to determine the relationship between SMEs and Wealth Creation.

4. Results and Discussion

From the four hundred (400) self-administered questionnaires, only 376 were dully filled and returned. This gives a response rate of 94%. Therefore, our analyses (descriptively and inferential) were based on this returned questionnaire.

4.1 Descriptive Analysis

Tables 4.3 to 4.15, presents descriptive analysis of responses in line with the objectives of the study.

Table 4.3: Educational Qualification

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Primary School Education	18	4.8	4.8	4.8
Secondary School Education	74	19.7	19.7	24.5
Tertiary School Education	284	75.5	75.5	100.0
Total	376	100.0	100.0	

Source: Field Survey, 2016

Table 4.3 shows that majority of the sampled SMEs owners have tertiary school education. This represents 75.5%.

Table 4.4: Are you a Small or Medium Scale Enterprise Owner

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	376	100.0	100.0	100.0

Source: Field Survey, 2016

Table 4.4 showed that all respondents are either small or medium enterprise owners.

Table 4.5: How Long have you been an Enterprise Owner

Decision Option	Frequency	Percent	Valid Percent	Cumulative Percent
Btw 0-10 years	62	16.5	16.5	16.5
Btw 11-20 years	109	29.0	29.0	45.5
Btw 21-30years	143	38.0	38.0	83.5
31years & Above	62	16.5	16.5	100.0
Total	376	100.0	100.0	

Source: Field Survey, 2016

Table 4.5 indicated that majority of the respondents have been in business between 21-30years.

Table 4.6 There is low Level of Poverty among Citizens

Decision Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	10	2.7	2.7	2.7
Agree	22	5.8	5.8	8.5
Undecided	7	1.8	1.8	10.3
Disagree	104	27.7	27.7	38
Strongly Disagree	233	62.0	62.0	100.0
Total	376	100.0	100.0	

Source: Field Survey, 2016

Evidently, Table 4.6 depicted that majority of the respondents (62.0%) strongly disagreed that there is low level of poverty among Citizens.

Table 4.7: Unemployment is Reducing in Kwara State

Decision Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	11	2.9	2.9	2.9
Agree	21	5.6	5.6	8.5
Undecided	24	6.4	6.4	14.9
Disagree	94	25.0	25.0	39.9
Strongly Disagree	226	60.1	60.1	100.0
Total	376	100.0	100.0	

Source: Field Survey, 2016

Conspicuously, Table 4.7 showed that larger percentage (60.1%) of the respondents strongly disagreed that unemployment is reducing in Kwara State.

Table 4.8: Poverty In Nigeria is not Attributed to Unemployment

Decision Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	25	6.6	6.6	6.6
Agree	31	8.2	8.2	14.9
Undecided	17	4.5	4.5	19.4
Disagree	75	19.9	19.9	39.4
Strongly Disagree	228	60.6	60.6	100.0
Total	376	100.0	100.0	

Source: Field Survey, 2016

Table 4.8 indicated that overwhelming majority of the respondents representing 60.6% strongly disagreed that poverty in Nigeria is not attributed to unemployment.

Table 4.9: Wealth Creation in Nigeria is Low.

Decision Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	177	47.1	47.1	47.1
Agree	99	26.3	26.3	73.4
Undecided	27	7.2	7.2	80.6
Disagree	37	9.8	9.8	90.4
Strongly Disagree	36	9.6	9.6	100.0
Total	376	100.0	100.0	

Source: Field Survey, 2016

Table 4.9 revealed that majority of the sampled SMEs owners strongly agreed that wealth creation in Nigeria is low.

Table 4.10: Reduction In Poverty And Job Creation Improves Wealth Creation.

Decision Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	180	47.9	47.9	47.9
Agree	125	33.2	33.2	81.1
Undecided	27	7.2	7.2	88.3
Disagree	27	7.2	7.2	95.5
Strongly Disagree	17	4.5	4.5	100.0
Total	376	100.0	100.0	

Source: Field Survey, 2016

Table 4.10 showed that majority of the respondents (47.9%) strongly agreed that reduction in poverty and job creation improves wealth creation.

Table 4.11 : SMEs Constitute Significant Sources of Wealth Creation

Decision Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	208	55.3	55.3	55.3
Agree	124	33.0	33.0	88.3
Undecided	21	5.6	5.6	93.9
Disagree	9	2.4	2.4	96.3
Strongly Disagree	14	3.7	3.7	100.0
Total	376	100.0	100.0	

Source: Field Survey, 2016

Table 4.11 showed that larger percentage, which is 55.3% of the sampled SMEs owners strongly agreed that SMEs constitute significant sources of wealth creation..

Table 4.12: SMEs Account For Bulk Of The Employments In Nigeria

Decision Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	260	69.1	69.1	69.1
Agree	86	23	23	92.1
Undecided	15	4	4	96.1
Disagree	10	2.6	2.6	98.7
Strongly Disagree	5	1.3	1.3	100
Total	376	100	100	

Source: Field Survey, 2016

In Table 4.12 above, larger percentage which is 69.1% of the respondents Strongly Agreed that SMEs account for bulk of the employments in Nigeria.z

Table 4.13: SMEs Can Be More Empowered To Reduce Poverty In Nigeria

Decision Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	203	54	54	54
Agree	136	36.2	36.2	90.2
Undecided	18	4.8	4.8	95
Disagree	11	2.9	2.9	97.9
Strongly Disagree	8	2.1	2.1	100
Total	376	100.0	100.0	

Source: Field Survey, 2016

Table 4.13 showed that 54% of the respondents, Strongly Agreed that empowerment of SMEs can reduce poverty in Nigeria.

Table 4.14: Using SMEs to Reduce Poverty Will Result To Decrease In Unemployment

Decision Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	188	50.0	50.0	50.0
Agree	128	34.0	34.0	84.0
Undecided	23	6.1	6.1	90.2
Disagree	27	7.2	7.2	97.3
Strongly Disagree	10	2.7	2.7	100.0
Total	376	100.0	100.0	

Source: Field Survey, 2016

Table 4.14 indicated that larger percentage of the respondents Strongly Agreed that using SMEs to reduce poverty will decrease unemployment.

Table 4.15: SMEs in Nigeria Face Serious Challenges Which Mitigate Its Wealth Creating Efficiency

Decision Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	210	56	56	56
Agree	132	35	35	91
Undecided	15	4	4	95
Disagree	12	3.2	3.1	98.1
Strongly Disagree	7	1.9	1.9	100
Total	376	100.0	100.0	

Source: Field Survey, 2016

Table 4.15 showed that 56% Strongly Agree that SMEs in Nigeria face serious challenges which mitigate its wealth creating efficiency.

4.2 Testing Hypotheses - Inferential Analysis

In line with the hypotheses, we present the results as follows:

H_{01} : SMEs have no significant effect on Job Creation in Nigeria.

Table 4.16: Coefficient Table^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.983	.280			
SMEs	.030	.016	.091	3.517	.000
				2.925	.005

a. Dependent Variable: Job Creation

Table 4.16 shows SMEs as the independent variable has coefficient positive value of 91% on Job Creation. The result is significant with the p-value of .000 less than the 5%. The implication of this is that, as the number of SMEs rises, job creation will also rise and consequently reduction in unemployment.

H_{02} : SMEs have no significant effect on Poverty Reduction in Nigeria.

Table 4.17: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.983	.280		3.517	.000
SMEs	.030	.016	.090	1.925	.005

a. Dependent Variable: Poverty Reduction

For hypothesis two, Table 4.17 shows that SMEs has coefficient positive value of 90% on Poverty Reduction. The result is significant with the p-value of 0.000 as less than the 5% significance level. The implication of this is that, increase in the number of SMEs reduces poverty rate.

H_{03} : There is no significant relationship between Job Creation and Poverty Reduction in Nigeria.

Table 4.18: Correlations

		Job Creation	Poverty Reduction
Job Creation	Pearson Correlation	1	.880**
	Sig. (2-tailed)		.000
	N	376	376
Poverty Reduction	Pearson Correlation	.880**	1
	Sig. (2-tailed)	.000	
	N	376	376

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

From the correlation result in Table 4.18, it is depicted that the returned Pearson Correlation Coefficient (r) was calculated as 0.880. This means that there is a very strong positive relationship between job creation and poverty reduction.

4.3 Major Findings

From the results in Table 4.16 SMEs have a positive value of 91% on Job Creation, the results is significant as the p-value is less than 5%. Hence, we reject the null hypothesis and conclude that SMEs have significant positive effect on Job Creation in Nigeria. Also, from the Table 4.17, it was discovered that SMEs have a positive coefficient value of 90% with p-value less than 5%. Therefore, we reject the null hypothesis and concluded that SMEs have significant positive effect on Poverty Reduction in Nigeria.

Lastly, the Table 4.18 correlation result showed that there is a very strong positive relationship of (88%) between job creation and poverty reduction. Consequently, we reject the null hypothesis and concluded that there is significant positive relationship between Job Creation and Poverty Reduction in Nigeria.

5. Conclusion and Recommendations

5.1 Conclusion

This empirical study has established that SMEs have a positive effect on job creation and poverty reduction in Nigeria. This result is consistent with previous studies such as Ajala and Fakoya (2003), Yusuf, *et. al.* (2008), Jibril (2009), Akighir (2011), Akingunola (2011), Aremu and Adeyemi (2011), Kadiri (2012) and Onakoya, Fasanya and Abdulrahman (2013) etc. Their studies equally found that, supports for SMEs is a veritable tool for reducing unemployment and poverty simultaneously. This means that when an individual is engaged in a productive activity that fetches him/her income, he/she can take good care of himself/herself. With this, poverty is inevitably reduced.

Responses from our respondents indicated that, challenges such as lack or inadequate entrepreneurship education which equip them with necessary skills needed to effectively manage their businesses, capital insufficiency coupled with difficulty in assessing finance, epileptic power supply and other infrastructural deficiencies (water, roads etc), unfavorable fiscal policies, multiple taxes, levies and rates, fuel crises or shortages, policy inconsistencies, reversals and shocks, poor policy implementation, restricted market access, raw materials sourcing problems, insecurity of lives and property due to insurgencies, lack of requisite skill and experience, thin management, unfavorable monetary policies, lack of preservation, processing and storage technology and facilities etc. have all been responsible for ineffective SMEs operations.

Notably, these challenges highlighted above agree with the national survey conducted by the Federal Bureau of Statistics (FBS) in 2012 that only 3 per cent of the SMEs in Nigeria had entry to the export market, a circumstance, which the Minister of Trade and Commerce, Olusegun Aganga said was as opposed to the advancement of the country's economy (This Day Newspaper, July 20, 2012). The SMEs as of now utilize around 32.4 million individuals and makes around 46.54 per cent commitment to the GDP. The report likewise demonstrated that around 80 per cent of the SMEs are barred from the financial market. Around 83.2 per cent of the enterprises have beginning start-up capital of underneath N10 million while 7 per cent have introductory start-up capital of between N10 million and N20 million; the principle wellspring of capital is personal savings, with 54.4 per cent; trailed by credit (22.0 per cent); and family wellspring of capital (16.7 per cent). For the smaller scale enterprises, the most wellspring of capital is personal savings speaking to around 84.6 per cent, family source (29.8 per cent), credits (9.2 per cent) and cooperative (8.0 per cent). With these difficulties, it is not shocking that the SMEs have not altogether added to wealth creation in Nigeria. In summary, the conclusions are: (i) apparently, the government and the private sector, combined together cannot provide require jobs for the teaming and appalling unemployment rate. Thus, empowering SMEs have been proven empirically supported by overwhelming extant studies, to create millions of jobs for the masses; (ii) Poverty reduction and employment generation are the bedrock of wealth creation and that to reduce poverty or unemployment, SMEs plays an indispensable role; (iii) Conventionally, when individuals are gleefully and gainfully employed, poverty will be drastically reduced. However, the enormous challenges facing the SMEs appear to have prevented them from impacting meaningfully on wealth creation in Nigeria.

5.2 Recommendations

The study advanced the following recommendations in line with the conclusion made:

1. Public Private Initiative should be encouraged either directly or indirectly to ensure job creation for the masses that will subsequently result to wealth creation in Nigeria.
2. The government should endeavor to tackle the challenges facing SMEs as reported by various national and institutional surveys. Chief of which are limited access to and difficulty in accessing finance, infrastructural deficiency and unfavorable government laws (such as tax laws) as well as poor power supply among others. This will ensure smooth operation of SMEs and poverty reduction in Nigeria.
3. Jobs can only be created through SMEs to reduce poverty when the SMEs are performing as expected. Therefore, adequate regulations is recommended through strengthen of SMEDAN offices across the nation in form of competent personnel, finance and availability of prompt information. This is anticipated to checkmate the performance of the existing SMEs and encouraging innovative ideas from young entrepreneurs as the business environment will continue to be dynamic and multi-faceted.
4. Training and development programmes should be provide for the SMEs owners that will continue to prepare them with the manipulative skills to withstand the challenges of operation and resource management.

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