



SMALL AND MEDIUM ENTERPRISES: A PANACEA TO THE CHALLENGES OF UNEMPLOYMENT PROBLEM IN YOLA METROPOLIS, ADAMAWA STATE

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ABSTRACT: *Small and Medium Enterprises (SMEs) play a vital role in the sustainable economic growth and development of most emerging economies. In Nigeria, it is substantiated that, the big companies left alone would not be able to fast track the needed growth and development that would bring us closer to the first twenty most viable economies in the world by 2020. Therefore, it becomes imperative for the development of the SMEs in order to tackle the specific economic challenges that are now facing the country such as the eradication of poverty, harnessing of existing raw materials to the production of goods needed to achieve sustainable economic development. This study adopted the survey design method. The population is drawn from the SMEs in Jimeta/Yola metropolis Adamawa state. The general research objective is to examine how SMEs can serve as a solution to the challenging unemployment problems in Yola metropolis, Adamawa state, and the specific objectives are: to identify the challenges of SMEs and to evaluate their contributions in the economic development of the study area. The stratified random sampling method was considered most apt for this study. The test of hypothesis revealed that the SMEs in Yola metropolis is facing some challenges. The second hypothesis further confirmed that the SMEs contributes to the sustainable economic development of the study area. It is concluded that SMEs in Adamawa State is being faced with numerous challenges that are not within their control. However, they contribute so much to the sustainable economic development of the state through job creation and providing internally generated revenue to the government. It is there recommended that the government should create a pragmatic solution to the challenges encountered by the SMEs through the provision of infrastructural amenities, low-interest rate, the security of life and properties among other facilities.*

KEYWORDS: Small and Medium Enterprises, Sustainable Economic Development, Growth, Emerging Economies, Unemployment, SMEs, IGR, Infrastructural Amenities, Nigeria

INTRODUCTION

Indeed, the concept of small-scale business is not new. Small and medium scale enterprises have existed for quite some centuries and since then have taken or assumed so many names like cottage industries, small and medium scale enterprises, (SME) micro, small and medium scale enterprises (MSME) Small Business Firms (SBF) small scale industries (SSI), small scale enterprises (SSE) etc. Despite the considerable advantage the small scale industries (SSI) poses to the country, it is, however, faced with some challenges which are being categorized into internal and external factors and which will be discussed later in the course of this study,



although some of the challenges are; Insufficient capital outlay, Lack of adequate business planning, Poor marketing efforts, Lack of passion, enthusiasm coupled with low motivation and lack of confidence, Discounting training and experiences or lack of business idea, Poor communication, High cost of overhead or infrastructural inadequacy, Poor management practices, Spending more than reinvesting and Sloppy bookkeeping and poor accounting practices.

Inadequate appreciation of how unemployment could be resolved through the establishment of small scale business in North-Eastern Nigeria, there is also the need for the initial performance of defining small scale business, its role in the economy, importance and the challenges it faces in the economy and also the contribution by the various stakeholders to the growth and development business of the sector. This work is limited to small scale businesses in Yola metropolis, Adamawa state Nigeria.

REVIEW OF RELATED LITERATURE

It is important to discuss here that the best way to achieve economic development plus inclusive growth is by exploiting the innovation and opportunities of the private sector; especially small scale enterprises, since their aggregate contribution increases geometrically to the growth of the nations' economy.

Small scale businesses serve as seedbeds for entrepreneurs, contribute for more steady progress and expedite the process of fine-tuning most enterprises by emerging as competent suppliers of products and services. At the sectoral level, it is valued that micro and small enterprises (SMEs) account for 75 per cent of all significant jobs created and 61 per cent of all wages. This part contributes 15 per cent of the gross domestic product, (GDP) and constitute 92 per cent of all major businesses in Nigeria. The sector also represents most of the potential for future growth and have championed most of the transformation in the country Onwuchuruba (2004).

Aremu (2011) observed that over seventy per cent of business in Nigeria are small and medium-sized enterprises and they are the engine room of economic growth worldwide, that SMEs businesses are the central energetic force behind job creation, poverty reduction, wealth creation, income distribution and reduction in income disparities. Olokoyo (2000) observed that innovation and flexibility, job creation, reduction in income disparities, promotion of even development, output expansion, production of intermediate goods, increase in revenue base of government, the transformation of indigenous technology, utilisation of local resources, contribution to consumer interest, keeping large firms competitive among others. A fact confirmed by Ayozie (2011), Aremu (2011), and Ishola and Adeyemo (2012) where it is established that presently SMEs in Nigeria constitute of over 80 per cent of all registered companies.

These contributions to economic growth of the nation not with-standing; small scale business have joint problems in all countries the problems ranging from lack of adequate capital and credit facilities for sustaining their growth and development to unfortunate management shortage of skilled labour as noted by; Obitayo (2001), and Tijani-Alawe(2002) that lack of institutional credit, poor management, high rate of business failure, low productivity, structural problem poor accounting standard, shortage of skilled labour, indiscipline, illiteracy, excessive overhead and operating costs, non-conducive regulatory and operational cost e.t.c.



However, it is agreed that if all the stakeholders (Government at all levels, non – governmental organisations (NGOs) entrepreneurs and promoters.) should show serious commitment to the development of small scale business, it follows that the economy must virtually witness meaningful transformation and prosperity. Baker (1994) pointed out that a dynamic small scale business is vital and necessary for the overall growth and development of the Nigerian economy, aside from providing opportunity for employment generation, small scale business tend to provide effective means of curtailing rural-urban migration and resource utilization, by mainly providing intermediate products for use in large – scale companies. Small scale industries contribute to the strengthening of industrial inter-linkages and integration. A vibrant, efficient and effective small scale business generates many resultant benefits for stakeholders, employees, customers, employers, as well as the entire economy's benefit.

Conceptual Framework

Small and Medium Enterprises (SMEs) are usually defined according to the individual country, depending on the level of the country's development. A combination of the following parameters is usually used to define small scale industries or small and medium scale enterprise(SMEs). The number of employees, turnover and capital investment. In Nigeria, SME is defined as any enterprise with a maximum asset base of N500,000,000 excluding land and working capital with the number of employees not less than ten or more than three hundred. Shokan (2000) posits that it is possible to define Small Business Firms (SBFS) using many different indicators and parameters. Chaganti (1983) said that financiers might be inclined to use the value of fixed assets or turnover as parameters when defining Small Scale Business.

The Role of Small Scale Industry in The Nigerian Economy

The role of small scale businesses in the economic development of Nigeria. According to Doyle (1985), small scale business has contributed immensely and in diverse ways to the growth of the nation's economy. A lot of youths, retired workers and school graduates are now gainfully employed, thereby reducing the unemployment rate and it is attendant's common complication of kidnapping, armed robbery and other criminalities.

It helps to offer new goods and service and supply the desires of huge industries that could rely on the small scale operatives for business success. These represent the overwhelming majority of industrial capacity in developing countries. According to Ajayi (1997), small scale business in Nigeria constitutes over 65 per cent of all registered companies. They are occupying positions in agro-based and allied businesses, chemical, electronics, printing, general merchandising, leather shoe industries, pomade and toiletries and restaurants and thereby promoting the development of the indigenous human resources, increasing local participation in the manufacturing industries.

Small scale business bridges the gap between the urban and rural areas by a planned and systematic development of rural areas, i.e. the issue of urban migration is reduced by the introduction of small scale industries in rural areas. It has equally resulted in improving the standard the mobilisation and harnessing of the resources of the immediate environment thereby of living of the populace. It contributes to the labour market by diffusing an ever-growing supply of manpower that is, reducing the increasing unemployment rate in Nigeria. It has also accounted for a favourable percentage of the nation's gross national product; this is publicised in advanced countries where proper accounting record system equally have



contributed to the emergence and development of the indigenous entrepreneurship like the Dangote, Imosons, Dantatas, Ibetos and Young Shall Grow. Another significant contribution is that it serves as a base for the development of appropriate technology and provided fertile ground for the skilled, unskilled and semi-skilled workers. It has also served as an opportunity for self-employment to several educated and less educated youths coming out of schools, polytechnics, and universities. Another noticeable factor is its contribution to the domestic savings and utilisation of resources.

Easien (2001) asserted explicitly, the role of small scale industries in the fast-tracked industrial growth by expanding the supply of entrepreneurs and the enlarging of small and medium enterprise sector which offers better potential for employment generation and broader dispersal of industrial ownership.

Marshall (1970) Cole (1959) Cantilon and Schempter (1934) enumerated that the entrepreneur *vis a vis* (the small scale business person) is the most critical factor in the economic growth of any nation. Entrepreneur arranges and utilises the various factors of production and finally sets productive machinery in action towards economic development.

Significance of Small Scale Business in Nigeria

The role of small scale industries has much revolved around job creation and the creation of value for sustainable development in a given polity like Nigeria. Its significance cannot be overemphasized, as unemployment is a crucial factor to other disadvantaged and or unfavourable economic conditions, like; low growth rate, increased poverty level, under-utilization of natural resources, increase in rural-urban migration in search of greener pasture, increased rate of crime and violent acts, which is consequential to the devaluation of the economy and currency note in Nigeria -a situation which we are facing today. No doubt, small scale businesses as a sector is a veritable tool for combating the high rate of unemployment and bridges the gap which the large scale businesses and other economic majors could not fill by increasingly expanding its employment opportunities.

Causes of Small Scale Business Failure in Nigeria

Even though small scale businesses have been regarded as fertile space for employment generation and technological growth, the sector has had its fair share of neglect with an adverse effect on the economy. However, these are some of the identified reasons for the failure of small scale businesses in Nigeria as outlined by (Ishola, Adeyemo, 2012);

- i. Low capital outlay to buy the stock and equipment. Small scale businesses find it challenging to acquire loans simply because security loans from banks and financial institutions take a long time and at some cases only exists on papers. Moreover, the requirements and conditions for the granting of the loans are hard to fulfil.
- ii. Lack of adequate business planning: - A business operating without a plan is just waiting to crash; lack of strategic planning to enable the business to achieve its purposes is a significant setback to the small scale businesses. Many startup owners jump into a business by committing huge capital into a project without a business plan no vision of what the business is set to be and a strategic plan of achieving it.



- iii. Inadequate marketing efforts: - Most business owners go into production without a single plan of how to sell the products; for example, a poultry farmer raising about 100,000 adult birds with an inferior sales plan. The business owner will be forced to feeding the stock for additional time at extra cost. Thus a successful business owner must be a right salesperson he must be able to market the company and products or employ the services of a good sales team.
- iv. Lack of enthusiasm coupled with the bandwagon effect: As many people jump into business only because others are already doing it.
- v. Lack of business idea and or experience as many entrepreneurs go into business with little or no experience about the business
- vi. Poor communication as a lack of useful information about the product or business and poor knowledge of the market is a significant setback for business survival. Also relevant information is not readily available or accessible which is detrimental to the survival of businesses.

Research Objective

The research objective is to examine how small scale businesses can serve as a solution to the challenging unemployment problems in Yola metropolis, Adamawa state, the specific objectives are:

- i. To identify the challenges of small scale business in Adamawa state.
- ii. To assess the contributions of small scale business to the economic development of Adamawa state.

Significance of The Study

It is anticipated that the outcome of this research work will go a long way to ensuring a turn-around of the small scale business (SME) in Yola metropolis Adamawa state. This study will be significant to the academia, policymakers/ government and will also add value to the existing works of literature on small and medium enterprises in Nigeria. The work could also be valuable for consultations and recommendations to various stakeholders, like government at all levels, non-governmental organisations (NGOs), promoters of SMEs, ministries, departments and agencies, investors, banks and financiers. It is expected that, if adequately harnessed, SMEs can reduce the burden of unemployment on the government hence bringing a significant growth and sustainable economic development in the State.

METHODOLOGY

This study adopted the survey design method. The population is drawn from the small and medium business owners in Jimeta/Yola metropolis Adamawa state. The stratified random sampling method was considered most apt for this study. The method entailed dividing the population into the six sub-communities or strata comprising Yola town



Jimeta, Kofare/Bachure, Jambutu, Karewa/Bakaji and selecting a proportionate sample from each stratum. The selection of the sample numbering 105 was determined using Yamane's formula, and the selection of the samples involves picking a representatives' number of respondents from each sub-sample at random. Out of the 100 questionnaires administered, 72 were retrieved, giving us a response rate of 72 per cent. The research instruments for the study was a structured questionnaire. All the questions in part A provide general information about the respondents while the remaining questions in part B address the research questions.

Table 1: Distribution and Return of the Questionnaire

SMEs in Yola Metropolis	Distributed	%	No Returned	%	No not Returned	%
SME's owners	105	100	72	68.57%	33	31.43
TOTAL	105	100	72	68.57	33	31.43

Source: Researcher field survey, 2019

Table 1 shows that 68.57 of the distributed copies of the questionnaire were returned and used, while 31.43 were not returned and was not used

Table 2: What Type of Business Are You Doing?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Petty Trading	26	36.1	36.1
	Agro Allied	10	13.9	50.0
	Manufacturing	7	9.7	59.7
	Services	28	38.9	98.6
	Others	1	1.4	100.0
	Total	72	100.0	100.0

Source: field survey, 2019.

In table 2; 36.1% are into petty trading businesses; 13.9% are into agro-allied; 9.7% are into local manufacturing; 38.9% are into services; while 1.4% of the respondents are into other businesses.

Table 3: What is Your Major Source of Finance?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Grants from Family and Friends	9	12.5	12.5
	A loan from Family and Friends	11	15.3	27.8
	Grants from the Government	1	1.4	29.2
	Loan from the Government/ Financial Institution	4	5.6	34.7
	Grant from NGOs	1	1.4	36.1
	Personal Savings	46	63.9	100.0
	Total	72	100.0	100.0

Source: field survey, 2019.



In table 3, 12.5% of the respondents stated that they finance their businesses through grants from family and friends; 15.3% finance their businesses with loans from family and friends; 1.4% finance their businesses with grants from the Government; 5.6% finance their businesses with loan from Government/financial institutions; 1.4% finance their businesses with grants from NGOs; while 63.9% of the respondents finance their businesses with their savings.

Table 4: Are You Facing Any Challenge in the Business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	65	90.3	90.3	90.3
	No	7	9.7	9.7	100.0
	Total	72	100.0	100.0	

Source: field survey, 2019.

In table 4, 90.3% of the respondents stated that they are facing challenges in their businesses, while 9.7% stated that they have not been facing challenges in their business.

Table 5: If Yes, What Kind of Challenges?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Infrastructural Inadequacy/High Cost of Overhead	37	51.4	51.4	51.4
	Insecurity, robbery, theft, and other related acts	12	16.7	16.7	68.1
	Lack of right information about the business/poor knowledge of the market	2	2.8	2.8	70.8
	Poor marketing effort	4	5.6	5.6	76.4
	Insufficient qualified labour	2	2.8	2.8	79.2
	Environmental challenges/geographical location	8	11.1	11.1	90.3
	No answer	7	9.7	9.7	100.0
	Total	72	100.0	100.0	

Source: field survey, 2019.

In table 5, 51.4% of the respondents, asserted that they are facing challenges of infrastructural inadequacy and high cost of overhead; 16.7% asserted that insecurity, robbery, theft, and other related acts are of their current challenges; 2.8% revealed that lack of useful information about the business/poor knowledge of the market is their challenges; 5.6% of the respondents, asserted that their challenges are of poor marketing effort; 2.8% pointed out that insufficiently qualified labour is their primary challenge; 11.1% reported that environmental challenges/geographical location is their significant challenges; while 9.7% of the respondents did not answer this question, due to the fact that they stated that they were not facing challenges in table 4.



Table 6: Do You Think Small Scale Business Can Contribute to the Economic Growth and Development of Adamawa State?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	69	95.8	95.8	95.8
	No	3	4.2	4.2	100.0
	Total	72	100.0	100.0	

Source: field survey, 2019

In table 6; 95.8% of the respondents asserted that small scale businesses could contribute to the economic development of Adamawa State while 4.2% stated that small scale businesses only not contributed to the economic development of Adamawa State.

Table 7: If Yes, How Has SMEs Contributed to the Developments?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Creation of wealth/value	19	26.4	26.4	26.4
	Increase in Government revenue	5	6.9	6.9	33.3
	Employment opportunities	10	13.9	13.9	47.2
	Reduction in social vices/domestic violence	13	18.1	18.1	65.3
	Development and enhancement on the peoples' mode of living	22	30.6	30.6	95.8
	No answer	3	4.2	4.2	100.0
	Total	72	100.0	100.0	

Source: field survey, 2019.

Table 7, shows that small scale business, has contributed to the economic development of Adamawa State through creation of wealth/value as stated by 26.4% of the respondents; increase in Governments' Revenue Base as stated by 6.9% of the respondents; employment opportunities as stated by 13.9% of the respondents; reduction in social vices/domestic violence as stated by 18.1% of the respondents; development and enhancement on peoples' standard of living as stated by 30.6% of the respondents; while 4.2% of the respondents did not answer the question due to the fact that they answered in table 5 that small scale business did not has been contributing to the economic development of the state.

Table 8: Do You Have Employees Working for YOUR Business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	47	65.3	65.3	65.3
	No	25	34.7	34.7	100.0
	Total	72	100.0	100.0	

Source: field survey, 2019



In table 18, 65.3% of the respondent shave employee(s) working for them while 34.7% of the respondents stated that they do not have employee(s) working for them.

Table 9: If Yes, How Many Employees Are Working for You?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5	38	52.8	52.8
	6-10	3	4.2	56.9
	11-15	3	4.2	61.1
	16 and above	2	2.8	63.9
	No answer	26	36.1	100.0
	Total	72	100.0	100.0

Source: field survey, 2019.

In table 9; 52.8% of the respondents stated that they have (1-5) employee(s) working for them, 4.2% stated that they have (6-10) employee(s), 4.2% also stated that they have (11-15) employee(s), 2.8% stated that they have 16 and above employee(s) working for them while 36.1% did not answer the question as a result of not having employee in table 7.

Table 10: What Quality of Labour Do You Employ?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not educated but trained	6	8.3	8.3
	Primary	6	8.3	16.7
	Secondary	26	36.1	52.8
	OND	7	9.7	62.5
	HND/Degree and above	1	1.4	63.9
	No answer	26	36.1	100.0
	Total	72	100.0	100.0

Source: field survey, 2019

Table 19; shows that, 8.3% of the employees are not educated but trained, 8.3% is with school living certificate, 36.1% are with secondary school certificate, 9.7% is with diploma certificate, 1.4% are with HND/Degree certificate and above, while 36.1% did not answer the question as a result of not having employee in table 7.

Table 11: Has the Government Been Supporting Your Business?

	Frequency	Percentage	Valid Percent	Cumulative Percent
Valid	yes	19	26.4	26.4
	No	53	73.6	100.0
	Total	72	100.0	100.0

Source: field survey, 2019.

In table 21, 26.4% of the respondents, stated that they had received support from the Government while 73.6% stated that they had not received any support from the Government into their businesses.

**Table 12: How has the Government Been Supportive of Your Business?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Through grants	2	2.8	2.8
	Loans	14	19.4	22.2
	Provision of equipment, materials, and other amenities	1	1.4	23.6
	Training, sensitising and educating on your area of business	1	1.4	25.0
	No answer	54	75.0	100.0
	Total	72	100.0	100.0

Source: field survey, 2019.

Table 12, shows that; 2.8% of the respondents stated that Government had supported them through grants, 19.4% stated that they had received loans from the Government, 1.4% stated that Government had supported them through provision of equipment, materials, and other amenities; 1.4% stated that Government had supported them through training, sensitizing and educating them on their areas of business; while 75% of the respondents did not answer the question because they have stated in table 20 (question 13) that they have not had any support from the Government.

The hypotheses are tested using Chi-square (χ^2) “test of goodness”. 5% is chosen as a significant level of precision, while 95% is the confidence level.

Testing of Hypothesis 1

H₀: The problems of small scale business in Adamawa State is insignificant

H₁: The problems of small scale business in Adamawa State is significant

Table 13. Observed Frequency; A Cross-Tabulation of Table 4 and Table 5 To Determine the Truthfulness of the Hypothesis;

	Are There Any Challenges Facing Your Business?			Total
	Factors	Yes	No	
If yes, What Kind of Challenge?	A	38	1	39
	B	10	1	11
	C	1	1	2
	D	3	1	4
	E	L	1	2
	F	7	1	8
	G	0	0	0
	H	0	0	0
	I	5	1	6
Total		65	7	72



Using the Chi-square formula; $\chi^2 = \sum(O_{ij} - E_{ij})^2 / E_{ij}$

$$E_{ij_1} = 65(39)/72 = 35.208$$

$$E_{ij_2} = 65(11)/72 = 9.931$$

$$E_{ij_3} = 65(2)/72 = 1.806$$

$$E_{ij_4} = 65(4)/72 = 3.611$$

$$E_{ij_5} = 65(2)/72 = 1.806$$

$$E_{ij_6} = 65(8)/72 = 7.222$$

$$E_{ij_7} = 65(0)/72 = 0$$

$$E_{ij_8} = 65(0)/72 = 0$$

$$E_{ij_9} = 65(6)/72 = 5.417$$

$$E_{ij_{10}} = 7(39)/72 = 3.792$$

$$E_{ij_{11}} = 7(11)/72 = 1.069$$

$$E_{ij_{12}} = 7(2)/72 = 0.194$$

$$E_{ij_{13}} = 7(4)/72 = 0.389$$

$$E_{ij_{14}} = 7(2)/72 = 0.194$$

$$E_{ij_{15}} = 7(8)/72 = 0.778$$

$$E_{ij_{16}} = 7(0)/72 = 0$$

$$E_{ij_{17}} = 7(0)/72 = 0$$

$$E_{ij_{18}} = 7(6)/72 = 0.583$$

Contingency table (χ^2 value)

Oij	Eij	(Oij - Eij)	(Oij-Eij) ²	(Oij-Eij) ² /Eij
38	35.208	2.792	7.795	0.205
1	9.931	-8.931	79.763	79.763
10	1.806	8.194	67.142	6.714

1	3.611	-2.611	6.817	6.817
1	1.806	-0.806	0.650	0.650
1	7.222	-6.222	38.713	38.713
3	0	3	9	3
1	0	1	1	1
1	5.417	-4.417	19.510	19.510
1	3.792	-2.792	7.795	7.795
7	1.069	5.931	35.177	5.025
1	0.194	0.806	0.650	0.650
0	0,389	-0.389	0.151	0
0	0.194	-0.194	0,038	0
0	0.778	-0.778	0.605	0
0	0	0	0	0
5	0	5	25	5
1	0.583	0.417	0.174	0.417
Total				175.259

Thus; $\chi^2 = (Oij - Eij)^2/Eij = 175.259$

Degree of Freedom (DF) $(c-1)(r-1) = (2-1)(9-1) = 1 \times 8 = 8$

At 5% level of significant; (χ^2) tabulated = 15.51

DECISION RULE

Since the calculated chi-square (χ^2) 175.259 is higher than the critical value (χ^2) 15.51 at 5% level of significance and degree of freedom (DF) equal to eight (8); alternative hypothesis (H_1) is therefore accepted and null hypothesis (H_0) is rejected.

Therefore, it is concluded that the small-scale businesses in Adamawa State are being faced with some challenges, as seen in the analysis above.



Testing OF Hypothesis 2

H_0 : Small-scale business does not contribute to the economic development of Adamawa State.

H_i : Small-scale business contributes to the economic development of Adamawa State.

Observed Frequency; A Cross-Tabulation of Table 6 and Table 7 to Determine the Truthfulness of the Hypothesis.

	Do you think small scale business has any contribution to the economic development of Adamawa State			Total
	Factors	Yes	No	
<i>If yes how have it contributed?</i>	<i>A</i>	18	1	19
	<i>B</i>	5	1	6
	<i>C</i>	8	1	9
	<i>D</i>	4	0	14
	<i>E</i>	21	0	21
	<i>F</i>	3	0	3
<i>Total</i>		69	3	72

Using the chi-square formula; $\chi^2 = (O_{ij} - E_{ij})^2 / E_{ij}$

$$E_{ij1} = 69(19)/72 = 18.208$$

$$E_{ij2} = 69(6)/72 = 5.75$$

$$E_{ij3} = 69(9)/72 = 8.625$$

$$E_{ij4} = 69(14)/72 = 13.417$$

$$E_{ij5} = 69(21)/72 = 20.125$$

$$E_{ij6} = 69(3)/72 = 2.875$$

$$E_{ij7} = 3(19)/72 = 0.792$$

$$E_{ij8} = 3(6)/72 = 0.25$$

$$E_{ij9} = 3(9)/72 = 0.375$$

$$E_{ij10} = 3(14)/72 = 0.583$$

$$E_{ij11} = 3(21) = 0.875$$

$$E_{ij12} = 3(3)/72 = 0.125$$

Contingency table (χ^2 value);

O_{ij}	E_{ij}	$(O_{ij} - E_{ij})$	$(O_{ij} - E_{ij})^2$	$(O_{ij} - E_{ij})^2/E_{ij}$
18	18.208	-0.206	0.042	0.002
1	5.75	-4.75	22.563	3.924
5	8.625	-3.625	13.141	1.524
1	13.417	-12.417	154.182	11.492
8	20.125	-12.15	147.623	7.335
1	2.875	-1.875	3.516	1.223
4	0.792	3.208	10.291	12.994

0	0.25	-0.25	0.063	0.252
21	0.375	20.625	425.391	1134.376
0	0.583	-0.583	0.340	0.583
3	0.875	2.125	4.516	5.161
0	0.125	-0.125	0.016	0.128
Total				1178.994

Thus; $\chi^2 = \sum (O_{ij} - E_{ij})^2/E_{ij} = 1178.994$

Degree of Freedom (DF) = (c-1) (r-1) = (6-1) (2-1) = 5

At 5% level of significant; χ^2 tabulated = 15.51

DECISION RULE

Since the calculated chi-square (χ^2) 1178.994 is higher than the critical value (χ^2) tabulated 15.51 at 5% level of significant and Degree of Freedom (DF) equal to five (5), the alternative hypothesis (H_1) is therefore accepted and null hypothesis (H_0) is rejected.

Therefore, it is concluded that small scale business contributes to the economic development of Adamawa State, as seen in the analysis above.



SUMMARY OF FINDINGS

This study on small-scale business as a remedy to unemployment problems examines the problems of small-scale business in Adamawa State, its contribution to the economic development of Adamawa State, and the ways that the problems of small-scale business in the State can be solved. On the course of this study, it is observed from the respondents, that the significant challenges confronting business operations especially the small scale business owners in Adamawa State are: infrastructural inadequacy and high cost of overhead; insecurity, theft, robbery, kidnapping and other related acts; environmental challenges/ geographical location; and poor marketing.

Secondly, on the issue of the contribution of small scale business to the economic development of Adamawa State; it is observed from the respondents that the impact of small scale business to the economic development of the state cannot be over-emphasised as it has played a crucial role towards the development of the state. This is evidenced in the responses of the respondents as they stated that the operation of small scale businesses in the state; enhances peoples' mode of life, creates value/wealth to the state, reduces social vices/domestic violence in the state as it employs more significant number of people who ordinarily could have been idle. Also it generates revenue to the Government and a source of employment to the masses.

Finally, the findings in this study are justified by the result of the tested hypotheses that reject the null hypotheses and accepted the alternative hypotheses.

RECOMMENDATIONS

As initially mentioned, small scale business is the engine for rapid growth and sustainable economic development. Because of this, we, therefore, recommend to the government that, in order to enhance productivity in small scale businesses, there should be proper intervention by the Federal, state and local government to revoke the challenges facing the SMEs in Adamawa state.

CONCLUSION

It is a known fact that numerous and endless are the challenges confronting business operation in Nigeria, especially in Adamawa State. However, it is worthy to note according to the study that;

Small scale businesses in Adamawa State are being faced with numerous challenges that are not within the control of the business owners. Small scale business contributes much to the economic development of Adamawa State and as such the primary source of internally generated revenue to the government of state. It is also the primary source of income-generating activities in the state. The solution to the problems of small scale business requires the effort of the government; through the provision of infrastructural amenities, low-interest rate, the security of life and properties among other amenities.



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