

ABSTRACT

The dynamic role of Small and Medium Scale Enterprises (SMEs) in developing countries have been highly emphasized. These enterprises have been identified as means through which the rapid industrialization and developmental goals of these countries can be realized. This project work explores the impact of SMEs in developing countries. This work ensured from the failure that pervades the small and medium scale enterprises. The methods used for the gathering the data were primary and secondary sources of data. The work revealed that SMEs is the foundation and strength of any economy. That SMEs can employ more than any sector. The conclusion of the study is that small and medium scale enterprises has been identified to be the pivot of industrialization of any country, and it facilitates sustainable growth and development.

1.0 BACKGROUND OF THE STUDY

According to Adekunle (2005), the importance of the Small Scale Enterprises to Economic development of any country whether developing or developed cannot be overemphasized.

Small Scale Enterprises considered to be one of the driving forces in economic development. They stimulate private ownership and Entrepreneurship skill, they are feasible and can adapt quickly to changing market, demand and supply situations they also generate employment, help diversity economic activities and make significant contribution to export and trade.

According to the guidelines for accessing credit facilities for Small Scale Enterprises in Nigeria by R.K. Moruku (2002), "There is potential in Small Scale Enterprises to create employment, reduce underemployment and poverty, utilize local raw materials output expansion and transformation of indigenous technology. Others are those to reduce intermediate goods, promote even development and reduce income inequalities. Thus, they constitute a strategic choice in industrialization and economic development, even served as a new development aid model.

In view of growing unemployment and poverty including the working poor in

Nigeria, the indignity poverty inflicts on and threat to the survival of human kind, no efforts should be spared in nurturing, supporting and sustaining Small Scale Enterprises in Nigeria.

1.1 STATEMENT OF THE PROBLEM

The economy at present needs diversification and expansion. Despite the fact that government goals of encouraging economic growth along with decreasing unemployment and providing a well trained labour force have been activity pursued since the re-construction period of the civil war and the oil boom era. The nation however is still loosing grounds in the area of unemployment, inflation, economic stagnation and over/under supply of skilled labour force.

In Nigeria expects to solve HS social economic problem in efficiency; it must take a critical look at the development of the Small-Scale business because of this development sector can be synonymous with national economic growth.

The emphasis on the small business sector, was not encouraged until recently and this changing emphasis was caused by some set backs presented by other sectors of the economy. It has been discovered that the public sector alone failed to significantly encourage economic growth.

This recognition informed the need of desore to examine critically the impact of Small–Scale Enterprises financing in improving the socio- economic well being of the Nigerian people.

1.2 PURPOSE OF STUDY

The purpose of this research is to investigate the impact of Small Scale Enterprises financing in improving the socio economic well being of the Delta State.

The objective of this study can be clearly set below:

To show the role of Small Scale Enterprises financing.

To show the problems encountered in financing small scale enterprises.

To the prospects of small scale enterprises financing.

To identify the feature as well as the source of capital for small scale enterprises.

To show the activities of these enterprises in terms of revenue generation.

To make valuable recommendation useful to policy makers based on the findings of this study.

1.3 SIGNIFICANT OF THE STUDY

This research has great importance for all enterprises such that:

It will enable Small-Scale Enterprises operator to know their impact on the socio-economic well being of the Nigerian people.

This study will also guide the operation of most large and Small – Scale Enterprises (publicly and privately owned) and since most public companies are now being, privatized, this paper will be of immense help in their dealing with Small Scale Enterprises.

1.4 HYPOTHESIS

The hypothesis that are to be tested in this study are now stated as follows:

That government contributes to the socio economic well being of the Nigeria people

That educational level affects diversification of business interest.

That establishment source for credit facilities from financial institutions.

That Small-Scale enterprises should employ and retain the services of accounting officers.

1.5 SCOPE OF THE STUDY

This study will cover number of Small – Scale enterprises from 2000 – 2004 owned and operated by Nigerians who are single owners. Directory of small – scale enterprises in Delta State in 2000 by the state ministry of commerce and industry, Asaba outlined some enterprises in Delta State. Thus this research is restricted to selected Small – Scale enterprises in Aniocha North Local

Government Area of Delta State such as Pazuka Enterprises Nigeria involves in a soap making, Pakan Universal Agencies Nigeria, involved in poultry rearing, Vicmili organisation involved in bakery, Lucky group of designers involved in garri processing, Iweka wood workers involved in furniture making etc.

This research will also deal with the impact of small – scale enterprises financing in improving the socio-economic well being of the Nigerian people.

This work will also look at how banks help to finance small – scale enterprises activities of those business in terms of revenue generation and employment and income accruing to the owners.

1.6 LIMITATION OF THE STUDY

There were certain limitation that the search encountered in the course of carrying out his study. They include;

Financial constraints which limited the scope of this study on the ministry of commerce and industry, Asaba and Banks.

Another problem is time constraints, a research of this nature which is expected to reduce for researching result would certainly have required a lot of time to make an in-debt look at personal observation possible. However since the work has to be submitted within a specific time, I had to combine lectures, semester course work and examination with research work.

Another limitation borders on poor response from small-scale enterprises business owner and large earners (employees)

This is because of the non- challant attitude of small-scale industry owners to disclose relevant information about their business for fear of tax collectors.

Despite the limitations mentioned above, great efforts have been made by researchers to collect comprehensive information from few Small – Scale enterprises necessary for the study. The study should therefore be assessed in the light of the said scope and limitations.

1.7 OPERATIONAL DEFINITION OF TERMS

Impact: To have strong impression or effect on something. Impression could be positive or negative and effect could be positive or negative.

Small – Scale enterprises: Small – Scale enterprises comprises those enterprises with total cost inclusive of land of above one million (N1, 000 000.00) and having manpower strength (labour size) of 14 and 35 workers according to E. E. Ohibundu (2002) on Industrial trends and opportunities on page 34.

Financing: Financing is the efficient and effective allocation of resources with a view of maximizing the shareholder's wealth.

Improving: Advancing to a higher level.

Socio Economic: Control and management of a community, society or household.

Economic/Psychological: To have a sense of well being or a state of being healthy and happy.

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THE IMPACT OF SMALL-SCALE ENTERPRISES FINANCING IN IMPROVIING THE SOCIO-ECONOMIC WELL BEING OF DELTA STATE

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