



## Effect of Lack of Government Support in Sustainability of Small and Medium Scale Business Enterprises in Enugu Metropolis

<sup>1</sup>Frederick O. Eze, <sup>2</sup>Okechukwu, Elizabeth Uzoamaka, and <sup>3</sup>Anih, Edith N.

Enugu State University of Science and Technology, Enugu, Nigeria

Accepted: May 17th, 2022

Published: May 31st, 2022

### Citations - APA

Eze, F. O., Okechukwu, E. U. & Anih, E. N. (2022). Effect of Lack of Government Support in Sustainability of Small and Medium Scale Business Enterprises in Enugu Metropolis. *International Journal of Advanced Economics and Sustainable Development*, 3(1), 1-12.

This study examined the effect of lack of government support on the sustainability of SMEs in the Enugu metropolis. The objectives of the study included: Ascertain the effect of the Duty drawback scheme on the profitability of SMEs, identify the effect of microfinance policy on the effectiveness of SMEs and evaluate the effect of the absence of support agencies on the efficiency of SMEs in Enugu metropolis. The population of the study was 5560 while the sample size of 373 was determined by using taro Yamane's formula. The sources of data were both primary and secondary. The hypotheses were tested by using the one-sample t-test statistical tool. The findings included that the duty drawback scheme has a significant effect on the profitability of SMEs in the Enugu metropolis ( $X$  value = 46.24,  $p$ -value  $0.0000 < 0.05$ ), and microfinance policy has a significant effect on the effectiveness of SMEs in Enugu metropolis. ( $X$  value = 89.  $p$ -valuable  $0.0000 < 0.05$ )., absence of support agencies has a significant effect on efficiency of SMEs in Enugu metropolis ( $X$  value = 13.  $p$ -valuable  $0.0000 < 0.05$ ). The writer concluded that lack of government support has a significant but not positive effect on the sustainability of SMEs in the Enugu metropolis, Duty drawback scheme should be implemented among SMEs in Nigeria. The micro-finance policy should be implemented to help SMEs to get loans whenever the need arises and Support agencies should be active in Nigeria to assist the SMEs.



ABSTRACT

**Keywords:** Small and Medium Scale Business Enterprises; Government Support; Sustainability

## 1. Introduction

The history of small and medium scale enterprises (SMEs) in Nigeria could be traced back to the pre-independence era, but a major remarkable breakthrough in the development of small and medium scale businesses evolved through the indigenization decree of 1972 and later in Nigeria Enterprises Promotion Act of 1977. In its 1970-74 National development plan, the federal government gave special attention to the development of small and medium scale industries. This was in recognition of the roles of small and medium scale enterprises as the engine room of economic development in Nigeria (Aremu, 2011). As the world economy was heading towards recession as a result of the Covid-19 Pandemic, the President of the United States, Donald Trump, addressed the people on the recovery plan of the United States. The President realized that the United States was already in recession and many people had lost their jobs. Furthermore, the President admitted that for the United States to come out of the recession, more money is needed for the development of SMEs. This shows the importance of small and medium-scale businesses in the economic development of a nation. Here in Nigeria, the fluctuations in the price of crude oil which have resulted in the economic crisis in Nigeria have made the Nigerian government realize the risk of over-dependence on crude oil. This phenomenon has made the economic stakeholders look for other reliable means of economic development and one of such avenues is through small and medium scale enterprises.

SMEDAN (2012) has indicated that countries with a larger share of SME employment have higher economic growth and it is suggested that one of the significant characteristics of a flourishing and growing economy is a booming and blooming SMEs sector. SMEs, therefore, play an important role in the development of a country by creating employment for rural and urban growing labor force, providing desirable sustainability and innovation in the economy as a whole. In addition, a large number of people rely on small and medium enterprises directly or indirectly. Most of the current larger enterprises in Nigeria and indeed in the world originated from small and medium enterprises. Unfortunately, most SMEs in Nigeria die within their first five years of existence, a smaller percentage go into extinction between the sixth and tenth year, while only about five to ten percent survive, thrive, and grow to maturity (Aremu and Adeyemi, 2011). Several reasons are responsible for the failure of SMEs and they range from harsh government policies, poor capital, poor infrastructure, lack of managerial skill, lack of good record-keeping system, etc. (Okonadu and Uzoka, 2012, Ngobiri and Uchegebu, 2013). However, of all these reasons, lack of government support seems to be the most prominent. It is based on this background that this paper examined the effect of lack of government support on the sustainability of small and medium enterprises in the Enugu metropolis.

### Statement of the Problem

The inevitable consequence of a lack of government support in sustaining SMEs is that it could lead to a decline in the profit level of SMEs. This is a result of the government not giving out a duty drawback scheme that can help the SME owners to break even. It could also result in to decline in sales turnover as a result of a lack of expert advice from the government It could also result in a decline in ineffectiveness as a result of a lack of micro-finance policy and finally, it could result to decline in efficiency as a result of the absence of support agencies.

### Objectives of the Study

The broad objective of the study is to examine the effect of a lack of government support on the sustainability of SMEs. Specifically, the study sought to:

- i. Ascertain the effect of the Duty drawback scheme on the profitability of SMEs in Enugu metropolis.
- ii. Identify the effect of microfinance policy on the effectiveness of SMEs in the Enugu metropolis.
- iii. Evaluate the effect of the absence of support agencies on the efficiency of SMEs in the Enugu metropolis.

### Statement of Hypotheses

To realize the objectives of the study and provide answers to the research questions, the following alternate hypotheses were formulated to guide the study

- i. Duty drawback scheme has a significant effect on the profitability of SMEs in Enugu metropolis
- ii. Microfinance policy has a significant effect on the effectiveness of SMEs in the Enugu metropolis.
- iii. Absence of support agencies has a significant effect on the efficiency of SMEs in the Enugu metropolis.

## 2. Review of Related Literature

### 2.1 Conceptual Review

#### Government Support

Government Support means financial support provided by federal, provincial, or municipal governments, including without limitation capital and operating grants, subsidies, repayable or forgivable loans, reimbursable tax credits, and loan guarantees. Ways in which the government support SMEs include:

#### Benefit (Rebate)

The government collects taxes from the public and businesses for the betterment of the country. When it comes to increasing the spending behavior of enterprises, the often government takes initiative to benefit enterprises to fulfill their buying habit and help them to live normally. Therefore, the government gives them a tax rebate which is known as a tax refund for the public to buy necessary things (Amele, 2018). On the other hand, it is also a common idea that, apart from promoting their spending, people may pay off their mortgages or can save for unknown events.

#### Technical Backing

New and up-to-date technology is the need for SMEs these days for their internal and external development and the spirit of entrepreneurship. Previously it was used by larger-scale firms for the betterment of the company, production, and reducing time. On other hand, technology has become the first need for SMEs too in this age of globalization (Adejumo, 2019). There is no doubt, that technology has reduced the time of the response.

#### Easy credit facility

Every person has got different ideas, but ideas do not work by themselves unless they are practically not applied. There is a need for investment or credit to convert ideas into practical and run a business successfully. There are fewer chances of business growth with low financial support (Okoye, 2019). It is also the fact that SMEs use very low assets. However, they are of huge importance, not only for developing countries but for developed countries too. That is why the administration of developing nations has been working too closely with lending institutes to help SMEs grow.

#### Special Loans

Financial institutes and banks have different schemes for different customers. In the same way, these institutes have also special loans for those enterprises which want to grow in a particular area, expand it, or want to grow further [6]. However, enterprises pay a somewhat high-interest rate to access these special loans. Whereas banks/financial institutes do not approve these loans directly, therefore, they go through different requirements which might include surveying of market, business operations, product demand, and rate of return (Ahmed, 2019). Due to this reason, sometimes SMEs provide false financial statements of their businesses which become difficult for banks to assess applications, resulting in delays in decisions for sanction of loans.

#### Liberalization of Market Economy

There have been long discussions over liberalization, which is a very important terminology in economics. Globalization has increased the involvement of entrepreneurs in business at a higher rate. This is the reason that economic liberalization is proved to be very important in economic development. It is also stated that, if economic policies are stabilized and liberalized then enterprises have a chance to grow (Onyia, 2019).

#### Small and Medium Enterprises

There is no universally accepted definition of a small enterprise (Aremu, 2019). Most establishments and countries have defined it according to their perspectives and to suit their particular circumstances and economic background and policies. These differences in definitions may be due to differences in economic development and advancement. The National Directorate of Employment (NDE) was set up by the Federal Government in November 1986 to work out strategies for dealing with the unemployment in the country especially school leavers and college graduates, and its initial care programs were formally launched on 30th January 1987 and the (NDE) defined small and medium scale factory/entrepreneur as projects having a capital investment not exceeding five thousand naira (N5,000.00) excluding land and a staff strength not exceeding three (3).

### **Duty Drawback**

Duty Drawback is a refund on duties, taxes, and fees paid on imported goods, that are later exported as unused or as a finished product. It can also include merchandise destroyed under U.S. Customs supervision. Drawbacks were introduced by CBP to reduce costs and incentivize exports – spurring the economy.

### **Microfinance Policy**

The microfinance policy provides the window of opportunity and promotes the development of appropriate (safe, less costly, and easily accessible) savings products that would be attractive to rural clients and improve the savings level in the economy. The objective of NMP 2017 is to promote financial inclusion by creating enabling environment that promotes the development of appropriate and innovative microfinance products and services to meet the real needs of the low-income population that enhance economic growth and accelerate poverty reduction.

### **Support Agencies**

Support agencies refer to public and private agencies that provide support for enterprises in areas related to production and product development, financial management, administrative and human resource systems, institutional and organizational design, technology upgrades, and product/service marketing. The government has set up agencies that are specifically charged with training the people and providing funds and other services for the promotion and development of SMEs in Nigeria.

### **Profitability**

Profitability means the ability to make a profit from all the business activities of an organization, company, firm, or enterprise. It shows how efficiently the management can make a profit by using all the resources available in the market. Harward & Upton, (2012), state that “profitability is the ‘the ability of a given investment to earn a return from its use.’”

### **Sales Turnover**

Sales turnover is the total amount of money that a company receives from the sale of products or services in a particular period. It is the company’s total revenue, invoice, cash payments, and other revenues Benice (2019). Sales turnover represents the value of goods and services provided to customers during a specified period –usually one year. The term is often just referred to as sales or net sales, which means revenues without VAT.

### **Efficiency**

Efficiency is the (often measurable) ability to avoid wasting materials, energy, efforts, money, and time in doing something or in producing the desired result (Steiner, 2018). In a more general sense, it is the ability to do things well, successfully, and without waste. In more mathematical or scientific terms, it is a measure of the extent to which input is well used for an intended task or function (output).

### **Effectiveness**

Effectiveness is the capability of producing the desired result or the ability to produce desired output (Anderson, 2018). When something is deemed effective, it means it has an intended or expected outcome or produces a deep, vivid impression.

## **2.2 Theoretical Review**

### **Person-Environment (Pe) Fit Theory**

The person-Environment Fit theory was propounded by Jackueleen Eccles in 1993. The theory states that everyone has a Work environment with which they are most compatible. The idea of PE is grounded in Kurt Lewin's maxim  $B=f(P, E)$ , or, in words, behavior is a function of person and environment. Characteristics on the personal side of the equation include interests, preferences, knowledge, skills, abilities (KSAs), personality traits, values, and goals. This theory can be linked to the present study when we consider that SMEs operate favorably when the government gives support to them. In this case, government support serves as the environment. Structural Functionalism Theory.

This theory was propounded by Gabriel Almond and Bingham Powell in 1970. Structural Functionalism is a theoretical understanding of society that posits social systems are collective means to fill social needs. For social life to survive and develop in society, several activities need to be carried out to ensure that certain needs are fulfilled. In the structural-functionalist model, individuals produce necessary goods and services in various institutions and roles that correlate with the norms of the society (Gingrich, 2015). Thus, one of the key ideas in Structural Functionalism is that society is made up of groups or institutions, which are cohesive, share common norms, and have a definitive culture (Hak, 2016). This theory is linked to this study because when a government sets up a structure, it will affect SMEs.

### 2.3 Empirical Review

In a study conducted by Amele (2018) in Lagos State on the effect of duty drawback scheme profitability of SMEs, a population of 548 SME workers was studied using the survey method of research and questionnaire as the major instrument of data collection. The t-test statistical tool was used in the analysis and it was found that the duty drawback scheme has a significant effect on the profitability of SMEs in Lagos state.

In a study carried out by Bello (2020) in Ogun State on the effect of micro-finance policy on the effectiveness of SMEs, a population of 389 workers was studied using the survey method of research and questionnaire as the major instrument of data collection. The z-test statistical tool was used in the analysis and it was found that micro-finance policy has a significant effect on the effectiveness of SMEs IN Ogun state. Finally, in a related study conducted by Ahmed (2020) in Abuja on the extent support agencies affect the effectiveness of SMEs, in the study a population of 298 workers was studied using the survey method of research and questionnaire as the major instrument of data collection. The analysis of variance was used to analyze the data and it was found that support agencies affect the effectiveness of SMEs to a large extent.

### 3. Methodology

The research design refers to the procedures, methods, and actions employed to develop research (Ikeagwu, 1988). It deals with the strategy for identifying the problem with the data collection method, the data processing, and the interpretation of a study. The type of research design used was the descriptive survey research. The survey is a systematic gathering of information through instruments like the questionnaire to ascertain the reality to which the respondents are exposed. A survey was adopted in this research because it allows one to describe the phenomenon under study in the investigation as it exists in their normal setting using the questionnaire. Primary Data was employed from the structural questionnaire. The geographical location of the study is Enugu metropolis comprising Enugu North, Enugu South, and Enugu East. The researcher studied the small and medium scale owners and their employees in the Enugu metropolis. The small and medium scales included Restaurant business, sewing, hairdressing, and bridal management. The entire population is five thousand five hundred and sixty 5560 and Taro Yamane’s formula was used to determine the sample size (373). The sampling procedure used by the researcher was the random sampling procedure, where every member of the population had an equal chance of being chosen from the population. The data for the study were presented in tables, using frequencies, percentages, and five points Likert-scale. The data were analyzed using both descriptive and inferential statistical methods.

### 4. Data Presentation and Analysis

#### 4.1 Distribution and Return of Questionnaire

**Table 1: Distribution and Return of Questionnaire**

<i>LGA</i>	<i>Number of Questionnaires Distributed</i>	<i>Number of Questionnaire Returned</i>	<i>Number of Questionnaire Lost</i>	<i>% of Valid Questionnaire</i>
<i>Enugu North</i>	<i>127</i>	<i>121</i>	<i>6</i>	<i>32</i>
<i>Enugu South</i>	<i>112</i>	<i>108</i>	<i>4</i>	<i>29</i>
<i>Enugu East</i>	<i>134</i>	<i>126</i>	<i>8</i>	<i>34</i>
<i>Total</i>	<i>373</i>	<i>355</i>	<i>18</i>	<i>95</i>

Source: Field Survey, 2022

Table 1 shows that out of a total of 127 copies of a questionnaire distributed to the SMEs in Enugu North, 6 copies were lost while 121 copies representing 32% of the total copies were returned. Out of 112 copies of a questionnaire distributed to Enugu South SMEs, 4 copies were lost while 108 copies representing 29% were returned. Out of 134 copies of a questionnaire distributed to Enugu East, 8 copies were lost while 126 copies representing 34% of the total copies were returned Therefore the total number of valid questionnaires was 355 copies representing 95% of the total copies of a questionnaire distributed.

#### 4.2 Bio-Data

**Table 2: Distribution of Respondents by Sex**

SEX	FREQUENCY	PERCENTAGE
Male	207	58
Female	148	42
Total	355	100

Source: Field Survey, 2022

Table 2 shows that 207 respondents representing 56% are males while 148 respondents representing 42% are females

**Table 3: Distribution of Respondents by Age**

AGE	FREQUENCY	PERCENTAGE
16-25 years	13	4
26-35 years	79	22
36-45 years	147	41
Above45 years	116	33
Total	355	100

Source: Field Survey, 2022

Table 3 shows that 13 respondents, representing 4% of the total respondents are between the ages of 16-25 years. 79 respondents representing 22% of the total respondents are between the ages of 26-35 years. 147 respondents representing 41% of the total respondents are between 36-45 years while 116 respondents representing 33% of the total respondents are above 45 years.

**Table 4: Distribution of Respondents by Marital Status**

MARITAL STATUS	FREQUENCY	PERCENTAGE
Married	247	70
Single	106	29
Divorce	2	1
Total	355	100

Source: Field Survey, 2022

Table 4 shows that 247 respondents, representing 70% of the total respondents are married. 106 respondents representing 29% of the total respondents are single while 2 respondents representing 1% of the total respondents are divorced.

**Table 5: Distribution of Respondents by Academic Qualifications**

ACADEMIC QUALIFICATION	FREQUENCY	PERCENTAGE
FSLC	17	5
SSCE/WASSCE	58	16
NCE/OND	127	36
HND/B.Sc	135	38
Above B.Sc	18	5

Total	355	100
-------	-----	-----

Source: Field Survey, 2022

Table 5 indicates that 17 respondents, representing 5% of the total respondents are FSLC holders. 58 respondents, representing 16% of the total respondents have SSCE/WASSCE certificates. 127 respondents, representing 36% of the total respondents have NCE/OND. 135 respondents, representing 38% of the total respondents have HND/B.Sc. degrees while 18 respondents, representing 5% of the total respondents have degrees above B.Sc.

#### 4.3 Data Relating to Research Questions

**Table 6 Research Question 1:** What is the effect of the Duty drawback scheme on the profitability of SMEs in the Enugu metropolis?

Question Items	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Dec.
Loss of money through tariff	102 (29%)	143 (40%)	62 (17%)	20 (6%)	20 (6%)	3.79	Accept
Inability to breakeven	98 (28%)	147 (41%)	52 (15%)	25 (7%)	25 (7%)	3.73	Accept
The absence of a duty drawback scheme significantly affects profitability	107 (30%)	132 (37%)	56 (16%)	15 (4%)	15 (4%)	3.76	Accept
SME may collapse	123 (35%)	112 (32%)	49 (13%)	30 (8%)	30 (8%)	3.72	Accept
Cluster Mean	30.50 %	37.50 %	16.50%	6.25	6.25	3.75	

Source: Field Survey, 2022

Table 6 shows that the respondents accept that loss of money through tariff with a mean of 3.79 is an effect of the absence of a duty drawback scheme on the profitability of SMEs. The respondents also accept the inability to break even with a mean of 3.73. The respondents accept that the absence of duty drawback significantly affects profitability while the respondents also accept that the SME may collapse is an effect of the absence of duty drawback on profitability.

**Table 7 Research Question 2:** What is the effect of microfinance policy on the effectiveness of SMEs in Enugu metropolis?

Question items	SA	A	U	D	SD	Mean	Dec.
Inability to get a loan	135 38%	124 35%	56 16%	22 6%	18 5%	3.95	Accept
The collapse of SMEs due to a lack of fund	129 36%	130 37%	57 57%	19 5%	20 6%	3.93	Accept
Difficulty to expand	133 37%	119 34%	52 15%	31 9%	20 5%	3.88	Accept
Micro-finance has a significant effect on the effectiveness of SMEs	124 35%	129 36%	54 15%	36 10%	12 4%	3.89	Accept
Cluster mean	36.50% 35.50%	25.75%	7.50%	5.00%		3.91	

Source: Field Survey, 2022

Table 7 shows that the respondents accept that inability to get a loan with a mean of 3.95 is an effect of the absence of microfinance policy on the effectiveness of SMEs in the Enugu metropolis. The respondents also accept that collapse of SMEs due to lack of funds is another effect with a mean of 3.93. The respondents accept that the difficulty to expand is another effect while the respondents also accept that micro-finance has a significant effect on the effectiveness of SMEs.

**Table 8 Research Question 3:** What is the effect of the absence of support agencies on the efficiency of SMEs in the Enugu metropolis?

Question items	SA	A	U	D	SD	Mean	Dec
Lack of information about customers	128 36%	132 37%	61 17%	15 4%	19 6%	3.94	Accept
Lack of giving a listening ear to the SMEs	132 37%	144 41%	66 19%	7 2%	6 2%	4.09	Accept
Inability to get hints about government plans for SMEs	147 41%	125 35%	56 16%	17 5%	10 3%	4.08	Accept
Support agencies affect the efficiency of SMEs	131 37%	127 35%	59 17%	20 6%	18 5%	3.94	Accept
Cluster mean	37.75%	37.00%	17.25%	4.25%	4.00%	4.01	0.88

Source: Field Survey, 2022

Table 8 shows that the respondents accept lack of information about customers with a mean of 3.94 is an effect of the absence of support agencies on the efficiency of SMEs in Enugu metropolis. The respondents also accept that the lack of giving a listening ear to the SMEs has another effect with a mean of 4.09. The respondents accept that inability to get hints about government plans for SMEs is another effect while the respondents also accept that Support agencies affect the efficiency of SMEs.

#### 4.4 Test of Hypotheses

##### Table 9 Test of Hypothesis 1

The research Hypothesis sought to ascertain the effect of the Absence of Duty drawback scheme on the profitability of SMEs in the Enugu metropolis. The test hypothesis is re-stated in alternate form as  $H_1$ : Absence of Duty drawback scheme has a significant effect on the profitability of SMEs in Enugu metropolis.

Question Items	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Std
Loss of money through tariff	102 29%	143 40%	62 17%	20 6%	20 6%	3.79	1.11
Inability to breakeven	98 28%	147 41%	52 15%	25 7%	25 7%	3.73	1.15
The absence of a duty drawback scheme significantly affects profitability	107 30%	132 37%	56 16%	15 4%	15 4%	3.76	1.18
SME may collapse	123 35%	112 32%	49 13%	30 8%	30 8%	3.72	1.19
Cluster Mean	30.50%	37.50%	16.50%	6.25	6.25	3.75	1.16

Source: Field Survey, 2022

The cluster mean of  $3.75 > 3.00$  (Likert mean) and associated standard deviation of  $1.16 < 1.581$  (Likert standard deviation) indicate that the out listed are the effects of the absence of duty drawback scheme on the profitability of SMEs in the Enugu metropolis

Level of Significance ( $\alpha$ ) = 0.05

The test statistic: One-sample  $t = \frac{\bar{x} - \mu_0}{\frac{s}{\sqrt{n}}} = 46.24$

P-value = 0.0000

Interpretation: The one-sample t-test result with a t-statistic value of 46.24 and associated probability value of  $0.0000 < 0.05$  shows that the Absence of Duty drawback scheme has a significant effect on the profitability of SMEs in Enugu metropolis



**Table 10 Test of Hypothesis Two**

Research Hypothesis two sought to ascertain the effect of the absence of microfinance policy on the effectiveness of SMEs in the Enugu metropolis. The alternate hypothesis is re-stated as:

H<sub>1</sub>: Microfinance policy has a significant effect on the effectiveness of SMEs in the Enugu metropolis.

Question items	SA	A	U	D	SD	Mean	Std
Inability to get a loan	135 38%	124 35%	56 16%	22 6%	18 5%	3.95	0.93
The collapse of SMEs due to a lack of fund	129 36%	130 37%	57 57%	19 5%	20 6%	3.93	0.96
Difficulty to expand	133 37%	119 34%	52 15%	31 9%	20 5%	3.88	1.12
Micro-finance has a significant effect on the effectiveness of SMEs	124 35%	129 36%	54 15%	36 10%	12 4%	3.89	1.09
Cluster mean	36.50% 35.50%	25.75% 7.50%	5.00%			3.91	1.03

Source: Field Survey, 2022

The cluster mean of 3.91 > 3.00 (Likert mean) and associated standard deviation of 1.03 < 1.581 microfinance (Likert standard deviation) indicates that the out listed are the effect of the absence of micro finance policy on effectiveness of SMEs in Enugu metropolis Level of Significance ( $\alpha$ ) = 0.05 Test statistic: One-sample  $t = \frac{\bar{x} - \mu_0}{\frac{s}{\sqrt{n}}} = 46.24$  P-value = 0.0000

Interpretation: The one-sample t-test result with a t-statistic value of 46.24 and associated probability value of 0.0000 < 0.05 shows that the absence of microfinance policy has a significant effect on the effectiveness of SMEs in Enugu metropolis.

**Table 11 Test of Hypothesis Three**

Research Hypothesis three sought to ascertain the effect of the absence of support agencies on the efficiency of SMEs in the Enugu metropolis. The alternate hypothesis is re-stated as:

H<sub>1</sub>: The absence of support agencies has a significant effect on the efficiency of SMEs in the Enugu metropolis.

Question items	SA	A	U	D	SD	Mean	Std
Inability to get a loan	135 38%	124 35%	56 16%	22 6%	18 5%	3.95	0.92
The collapse of SMEs due to a lack of fund	129 36%	130 37%	57 57%	19 5%	20 6%	3.93	0.82
Difficulty to expand	133 37%	119 34%	52 15%	31 9%	20 5%	3.88	0.85
Micro-finance has a significant effect on the effectiveness of SMEs	124 35%	129 36%	54 15%	36 10%	12 4%	3.89	0/93
Cluster mean	36.50% 35.50%	25.75% 7.50%	5.00%			3.91	0.88

Source: Field Survey, 2022

The cluster means of 3.91 > 3.00 (Likert mean) and associated standard deviation of 0.88 less than the Likert standard deviation of 1.581 indicates that the out listed are the effect of the absence of support agencies on the efficiency of SMEs in Enugu metropolis. Level of Significance ( $\alpha$ ) = 0.05 Test statistic: One-sample  $t = \frac{\bar{x} - \mu_0}{\frac{s}{\sqrt{n}}} = 13.68$  P-value = 0.0002

Interpretation: The one-sample t-test result with a t-statistic value of 13.65 and associated probability value of 0.0002 < 0.05 shows that the absence of support agencies has a significant effect on the efficiency of SMEs in the Enugu metropolis.

#### 4.6 Discussion of Findings

Duty drawback scheme has a significant effect on profitability of SMEs in Enugu metropolis (X value = 46.24, p-value  $0.0000 < 0.05$ ). In the empirical review conducted by Elegbede(2014) on the effect of the absence of duty drawback scheme on profitability, it was found that the absence of duty drawback scheme has a significant effect on the profitability of SMEs in Enugu metropolis

##### ***Effect of Microfinance Policy on the Effectiveness***

Microfinance policy has a significant effect on the effectiveness of SMEs in the Enugu metropolis. The evidence is shown in the (X value = 89.56, p-value  $0.0000 < 0.05$ ). In the empirical review conducted by Idowu (2012) on the effect of the absence of microfinance policy on the effectiveness of SMEs in Enugu metropolis. It was found that the absence of a microfinance policy has a significant effect on the effectiveness of SMEs in the Enugu metropolis.

##### ***Effect of Absence of Support Agencies on the Efficiency of SMEs***

The absence of support agencies has a significant effect on the efficiency of SMEs in the Enugu metropolis. The evidence is shown in the (X value = 13.68, p-value  $0.0000 < 0.05$ ). In the empirical review conducted by Ovia (2011) on the effect of the absence of support agencies on the efficiency of SMEs, it was found that the absence of support agencies has a significant effect on the efficiency of SMEs in Enugu metropolis

#### 5. Summary of Findings

1. Duty drawback scheme has a significant effect on the profitability of SMEs in Enugu metropolis... (X value = 46.24, p-value  $0.0000 < 0.05$ ).
2. Absence of a microfinance policy has a significant effect on the effectiveness of SMEs in the Enugu metropolis. (X value = 89.56, p-value  $0.0000 < 0.05$ ).
3. Absence of support agencies has a significant effect on efficiency of SMEs in Enugu metropolis (X value = 13.68, p-value  $0.0000 < 0.05$ ).

#### 6. Conclusion

The writer concludes that lack of government support has a significant but not positive effect on the sustainability of SMEs in the Enugu metropolis. SMEs are in the most vantage position for employment generation and promotion of entrepreneurial capacity at the local level. Though the Nigeria Bank of Industry (NBI), the small and medium scale Development Agency of Nigeria (SMEDAN), and the Youth Enterprise with Innovation in Nigeria (YouWin) are currently in place to champion the same course are still on, SMEs in Nigeria are yet to play the expected vibrant and vital role in the economic growth and development of the country

#### 7. Recommendations

*Based on the findings, the following recommendations were made*

1. Duty drawback scheme should be implemented among SMEs in Nigeria.
2. Government should not fail to give expert advice to SMEs to enable them to locate their customers
3. Micro-finance policy should be implemented to help SMEs to get a loan whenever the need arises

## References

- Adepotu L. (2009). Management of Small- Scale Business in Nigeria. *Journal of Management Science* 4 (6); 36- 42.
- Adewunmi, O. (2009). Entrepreneurship, and Economic Development. *Regional Studies* 7 (8); 33-41.
- Ajagbe, A. (2013). *Entrepreneurship*. Ibadan; University Press.
- Akeredulo Alee, O. (2007). *The Under Development of Indigenous Entrepreneurship in Nigeria*. Ibadan; university Press.
- Ayodeji, M. (2010). Small Business and Industry: Scope and Trends of Small Business. *Journal of Management Science* 9(6); 62-75.
- Beckman, E. (2003). *Corporate Innovation and Entrepreneurship 3<sup>rd</sup>*. Florida; South West Publishing
- Ebiringa, T. (2012). Entrepreneurship Development and Growth of Enterprises in Nigeria. *Entrepreneurial Practice Review* 2 (2) 31- 45.
- Eriobunah, C. (2012). Determinants of Small Business Growth Constraints in Sub-Sahara Africa Economy. *Journal of Management Science* 4 (5); 121- 132.
- Gartner, M. (2006). *Finance, Entrepreneurship, and Economic Employment: The Missing Nexus*. University of Lagos Inaugural Lecture Services
- Kibassa, M (2012). *The Role of Government and Other Financial Institutions in Entrepreneurial Development*. *Arabian Journal of Business and Management Review*, 17 (2); 67.
- Kilby, P. (2001). *Entrepreneurship and Economic Development*. New York: the free press.
- Frydman, A. (2011). Recent Developments in the Economics of Entrepreneurship. *Journal of Business Venturing* 23 (1); 24- 35.
- Idokoa, F. (2010). *Creating Enabling Environment for Micro and Small Scale Enterprise in Nigeria*. African; Centre for Contemporary Studies.
- Ikeagwu, E. (1998). *Ground Work of Research Method and Process*. Enugu; Institute of Development studies UNN.
- Inegbene Bor, A. (2009) *Entrepreneurship*. Onitsha; African Feb. Publishers.
- Njoku, A. (2014). The Role of Government Policy in Entrepreneurship Development. *International Journal of Humanities and Social Science*, 3 (5)34- 43.
- Ola, S (2012) *Dynamics of Entrepreneurship*. Lagos; Apex Publishers.
- Olakanpo, S. (2012). Entrepreneurial Development. *Journal of Management Science* 7 (6); 13- 15.
- Oni, E. (2013). *Development of Small and Medium Scale Enterprises*. Lagos; University Press.
- Onuocha, B (2004) *Entrepreneurial Development in Nigeria: An Integrated Perspective*. Okigwe; Avan Global Publication.
- Osemeka, M (2012). Entrepreneurial Development and Interventionist Agencies in Nigeria. *International Journal of Business and Social Science*, 3 (8) 255.
- Raimi, A. (2011). Perception of SME Growth Constraints in Nigeria. *Journal of Small Business Management*. 40 (7); 43.
- Stoner, A. and Freeman, E. (1992). *Management*. New Delhi; Prentice Hall
- Slevenson, K. (2011). *Entrepreneurship and the Outlook for America*. New York; Free Press.

Udeze, J (2005). *Business Research Methodology*. Enugu; Chiezugo Ventures

Yamane, T. (1964). *Statistics: An Introductory Analysis*. 3<sup>rd</sup> Ed. New York; Harper and Row

Yinka, F. (2008). *Management of Small- Scale Business in Nigeria*. Lagos; University Press.